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ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2235



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FUTURE TRENDS IN CEMA ECONOMIC INTEGRATION OUTLINED

East Berlin DEUTSCHE AUSSENPOLITIK in German Vol 26 No 11, Nov 81 (signed to press 2 Oct 81) pp 26-39

['Investigations and Surveys' feature article by Dr Harald Zschiedrich and Dr Martin Pelzer, Bruno Leuschner School of Economics, East Berlin: "Scientific-Technical Progress and Planned Intensification of Socialist Economic Integration." A translation of the SED Directive on the 1981-85 Five-Year Plan, cited in footnote 19, is available in JPRS 78163, 27 May 81, No 2130 of this series, pp 2-56. For a West German analysis of the Directive and for excerpts of the 1981-85 Plan and of the 1982 Plan and budget, see translations published in the following JPRS issues of this series: 79108, 1 Oct 81, No 2181, pp 42-56 and 79769, 31 Dec 81, No 2216, pp 7-29, respectively]

[Text] The party congresses of the fraternal parties that were held at the beginning of the 1980's clearly showed that the key to a marked improvement of the efficiency of social production in the 1980's lies in intensifying the economic effect of science and technology. The common ground shared by the parties comprises not only the identical evaluation of the role of science and technology in regard to the efficient functioning of the reproduction process, but also the consistent subordination of the scientific-technical problems to be solved to the requirements of intensively expanded reproduction within the CEMA countries. In terms of a common denominator, the point is that "science and technology must insure the requisite lead for the future intensively expanded reproduction."¹ In this connection, the "Main Trends of the Scientific and Social Development of the USSR for the Period from 1981 to 1985 and for the Period up to 1990" emphasize that "in the 11th Five-Year Plan the development of science and technology must be subordinated to an even greater extent to the solution of the economic and social tasks of the Soviet society, to the shift of the national economy toward an intensive course of development and to the improvement of the efficiency of social production."² Underscoring this organic interaction between intensification and scientific-technological progress, the Report to the 12th Congress of the Bulgarian Communist Party states: "The objective is to effect an intensification based on rapid introduction of the modern achievements of the scientific-technological revolution in all sectors of the national economy, in all elements of the reproduction process."³

An objective of equal importance for all of the European CEMA countries is to attain—through a higher degree of concentration in research and development and through an economically sounder selection of focal tasks—an improvement of the productive forces in the countries.

The statements formulated in this regard at the 26th CPSU Congress are of fundamental significance for the science policies pursued in all of the fraternal countries: "For the country, it is essential that 'big science' not only turn to theoretical problems, but also concentrate more intensively on the solution of key economic problems and on discoveries that can bring about truly revolutionizing changes in the production sector."⁴ In their measures and resolutions concerning further improvement of the systems of administration, planning and economic stimulation, the fraternal parties of the CEMA countries proceed from the assumption that increased efforts are required in order to create the economic conditions necessary for utilizing more effectively and widely the results of the scientific-technical work. In this respect, all of the party congresses of the fraternal parties singled out the same crucial issue, namely "more closely to link science and production and to set up the production mix accordingly."⁵ Likewise, the Report to the 16th Congress of the Czechoslovak Communist Party proceeds from the assumption that a "very close link between science and production is one of the most important requirements of the present. The objective is to make the scientific-technical development the foundation of the economic plans."⁶

On the State of the Scientific-Technical Cooperation Among the CEMA States

In the CEMA countries, the international cooperation in the realm of science is assuming increasing importance in regard to the acceleration of innovation processes in industry. In this respect, the states proceed from the fundamental realization that presently it is inconceivable "that any socialist country can develop independently of the other fraternal countries and that it can solve problems such as the energy and raw materials supply and the introduction of the latest findings of science and technology."⁷ The economic interest in the further intensification of scientific-technical cooperation is based above all on the fact that—as was noted at the 16th Congress of the Czechoslovak Communist Party—the CSSR—like the other CEMA countries—lacks the research capacities necessary for solving all problems on its own. This is reflected in the conclusion "to develop further the cooperation with the scientists and specialists from the CEMA member states, and above all with the Soviet scientists."⁸ The increasing importance of the scientific-technological cooperation is determined primarily by two aspects:

Firstly: The scientific-technical cooperation is an integral part of the intensification in science and production within the CEMA countries. The further intensification of the international cooperation in the field of science and technology is integrated in the long-term process of intensification of the scientific-technical work itself. Since the scientific-technical work is part of the social projects undertaken in the CEMA countries, it is included—like the work undertaken in the other sectors of the national economy—in the intensification efforts. The orientation toward intensification of the scientific-technical work results primarily from its function in the social reproduction process, which is to make an ever-increasing contribution to the improvement of production efficiency in the individual countries. This interconnection was emphasized in the SED Program, which stated: "The scientific-technological progress is the key factor in the intensification efforts and it is of crucial importance in regard to the solution of all other tasks. For this reason, the SED considers it necessary to intensify the scientific-technical work itself...."

The state of the international cooperation and division of labor in this process of intensification of scientific-technical work is characterized by the fact that it is oriented—a basic precondition for intensification—toward systematic mobilization of the individual factors concerning intensification of scientific-technological work (e.g. elaboration of ambitious economic objectives, intensification of the complex planning, rapid introduction of the research results into the social sector, improvement of the material-technological foundation of research and development, proportionality of the research and development capacities, and continuity in the research and development process in the individual CEMA countries).

However, the efforts to intensify the scientific-technological work cannot be measured exclusively by the number of problems and issues the cooperation is concerned with. Nor can they be measured by the growing number of finished projects or by the organizations and institutions that are included in the international cooperation. Increasingly, the determining criteria for evaluating the international cooperation in science and technology are the objective economic results, its concrete effect on the intensification, and the scientific-technical level of production in the CEMA countries.

Secondly: The level and the dynamics of the integration processes are dependent on the intensive development of the scientific-technological cooperation.

In determining the state of the scientific-technical relations in the total process of socialist economic integration, one must take into consideration the objective developmental trends of the international cooperation and division of labor, which are reflected in changes in the material content of the international division of labor and in new relations between its individual forms and trends.⁹

The international socialist cooperation and division of labor in science and technology is a key factor in regard to the further development of all forms and trends of the international division of labor under the conditions of intensifying socialist economic integration, for in this field there are determined both the main trends concerning structural changes in the individual countries and the changes in the material structure of the foreign economic relations. Of special importance in this respect are the effects of the international scientific-technological cooperation on the further organization of the international production specialization and cooperation, of the cooperation in the field of investment and of the volume and commodity structure in the field of foreign trade. At the same time, new qualitative demands are made on the international scientific-technical cooperation among the CEMA countries—demands resulting above all from the further intensification of the international production specialization and cooperation and from the requisite improvement of the scientific-technical quality of the products that are part of the commodity exchange. It is precisely these interrelationships that are pointed out in the Report to the 10th SED Congress: "The qualitative level and the growth rate of the reciprocal shipments are increasingly influenced by the results of the research and production cooperation."¹⁰

Generally speaking, from the above-described interaction between scientific-technical progress and socialist economic integration one can derive the following conclusion: In the organization of the developed socialist society, the socialist international division of labor in science, technology and production is both a precondition and a factor in regard to the intensification of social production and

of the scientific-technical work itself. On the other hand, in the course of the implementation of the complex program of socialist economic integration, it became apparent that the degree of improvement of the standards and of the economic effectiveness of the international division of labor in science, technology and production is increasingly dependent on the level and rate of acceleration of scientific-technical progress and on the level of intensification within the individual country.

High Demands on the Efficiency of Scientific-Technical Cooperation

The further development of the international cooperation and division of labor in the field of science and technology is part of the total orientation process of the CEMA states' foreign economic relations, which process aims consistently to help develop the inner qualitative factors of economic growth and to give additional impetus to the various ways of improving the efficiency of social production.

Likewise, in regard to the further intensification of scientific-technical cooperation within the framework of CEMA, the planning of pertinent measures in this field must be more extensively based on the fundamental economic requirement of the coming years--i.e. "marked change in the input-output ratio."¹¹ It is only through thorough calculations of the input and output of each measure concerning scientific-technological cooperation that an even greater concentration on key economic projects and a greater effect on the acceleration of innovation processes can be achieved. Thus the high demands in regard to efficiency and the implementation of the commitments made in regard to division of labor apply to all integration measures, including those in the field of science and technology, even though--as H. Tschanter justly emphasized--"the effects are not immediately manifested in the reproduction process."¹² All the deeper and all the more lasting are the long-term effects on efficiency and on the production and export structure--that is to say that both positive and negative effects may be magnified here. In this connection, one should bear in mind that F. Engels always insisted on a correct attitude toward the "intellectual element" of production, for it is "satisfying to know that the cultivation of science entails material rewards as well, to know that a single product of science such as James Watt's steam engine has given more to the world in the first 50 years of its existence than was spent by the world--from the very beginning--on the cultivation of science."¹³

Last but not least, the growing pressure toward a high degree of economic efficiency in the scientific-technical relations among the CEMA countries is a requirement resulting from the hitherto primarily extensive development of the cooperation in this field. Thus in the course of the last 15 years (1965-1980), the extent of the scientific-technical cooperation showed an 8-fold increase. The following table illustrates the dynamic force of the scientific-technical relations.

Increase in the Scope of the Multilateral Scientific-Technical Cooperation Among the CEMA Countries

Item	1966-1970	1971-1975	1976-1980
Number of problems contained in the integrated plan of scientific-technical cooperation	50	193	289
Number of subjects contained in the individual problems	183	706	1330
Number of self-contained subjects in the integrated plan	—	102	69

Source: A. Shitkova, "Scientific-Technical Cooperation and Problems Concerning Its Improvement," in: Plan-Conformity of the Socialist Economic Integration—Problems and Prospects. (In Russian) Moscow, 1980, p 45.

A distinguishing feature of these relations is the intensifying interbranch character of the problems concerning the scientific-technical cooperation. For example: Whereas in the past five-year plan periods a problem comprised approximately three subjects, presently a problem concerning scientific-technical cooperation comprises an average of five subjects. Another characteristic is the increase in the number of institutes involved in the cooperation. Whereas in the mid-1960's over 700 research institutes and scientific-technical organizations were included, at the end of the 1970's there were over 3000 institutes. As a result of the 500 completed projects in the process of implementation of the coordinated plan for multilateral integration measures for the period from 1976 to 1980, there were developed 90 new machines and installations, 190 devices, 75 new kinds of materials and 50 new technological processes (count made at the beginning of 1980). In view of these dimensions, it is obvious that increases in the economic effectiveness of the international scientific-technical cooperation will less and less be attainable through extensive methods; rather, such increases will require consistent intensification of the cooperation in this field.

Thus the intensified economic orientation of the international scientific-technical cooperation among the CEMA countries is becoming a crucial factor in regard to the augmentation of its economic effectiveness. The systematic economic orientation, the gradual implementation of the transition from the planning of individual problems and subjects to the planning of economic results of the international research cooperation will lead to a situation where the labor-sharing scientific-technical relations among the CEMA countries will be intensive rather than extensive. In this regard, the experience gained in cooperation has shown that it is obviously a mistake to start considering the intensification of international cooperation after its subjects, problems and objectives have been defined. On the contrary: to a large extent, the selection of the problems and subjects and the elaboration of the objectives determine the economic effectiveness of the scientific-technical cooperation. In this regard, A. Anchishkin states:

"The potential of science and technology is practically unlimited. However, no country has the resources needed for developing simultaneously and equally all of the scientific-technical trends. This necessitates selection, the setting of priorities in the selection of these trends...these trends can be justified only from the position of production intensification...."¹⁴

Intensified economic orientation comprises above all a greater share of those problems and subjects that are directed toward the creation of new products, new technological processes, new installations and equipment. Increasingly, the intensification of the scientific-technical relations among the CEMA countries focuses on the coordinated and labor-sharing solution of problems in the field of material economy and thrifty energy use in the CEMA countries. There is no doubt that it is precisely in the course of elaboration of the long-term objectives of the cooperation that the economic orientation of the scientific-technical cooperation has been markedly intensified. This is reflected in the multilateral agreements concerning cooperation in the field of robot technology and in the multilateral specialization and cooperation agreement concerning the development and production of electronic computers with the object of expanding the commodity exchange. Another example is the cooperation--planned for the period from 1981 to 1985--concerning the improvement of automated machine tools and the production of new hydraulic and pneumatic elements and construction units that will greatly affect the scientific-technical quality of the end products. A significant factor within the framework of the joint efforts toward improving the economic effectiveness of the international scientific-technical cooperation of the CEMA countries is the collaboration in regard to the introduction of scientific-technical results--obtained through division of labor--in the social production of the CEMA countries. Since in many cases the introduction of scientific-technical results obtained through division of labor may be bound up with a great number of smaller or larger investments, this aspect is assuming increasing importance in the planning of scientific-technical cooperation.

Finally, the effective linking of scientific-technical cooperation and production cooperation is one of the key problems in regard to improvement of the international cooperation and division of labor in science, technology and production, for "along with the scientific-technical cooperation there are established favorable conditions for efficient production specialization and cooperation as a continuation of the research cooperation."¹⁵ The close link between these two processes of cooperation is of an objective nature and presently it is assuming increasing importance, which is reflected in the resolutions adopted by the CEMA organs. The complex cooperation is to comprise all phases of research, development and organization in the production of top-grade, technically superior machines, equipment and other products on the basis of specialization and cooperation, including the establishment of the requisite production capacities. Thus in many cases the requirements concerning the further organization of the scientific-technical cooperation result directly from the ongoing transition from the preparation and conclusion of those agreements concerning international production specialization and cooperation, which "only provide for the distribution of developed production processes among the individual countries, to agreements oriented toward the production and technical improvement of new and scarce products."¹⁶ A technologically oriented international cooperation in science, technology and production in fields such as the production of modern equipment for the control of production processes, the establishment of machine complexes and the production of programmed, automated machinery presupposes an organic link between scientific cooperation and production cooperation. This also entails high demands on the management, planning and organization of this complex scientific and production cooperation, and this is reflected not only in the intensification of the complex cooperation planning that includes all phases of the reproduction process. Emphasis is placed also on the comprehensive application of various effective forms of promoting the integration of science and production on

an international scale (e.g. cooperative technological centers and design offices, consolidation of the contractual basis of cooperation, temporary collectives for the joint solution of problems concerning research and transfer, establishment of cooperative test laboratories, and improvement of the forms of agreement).

Adaptation of Management and Planning to Higher Requirements

Solution of the problems involved in the intensive development of the international socialist specialization and cooperation in science, technology and production calls for further improvement of the state management, planning and economic stimulation in the CEMA member states. A key problem concerning the management and planning of the integration processes is to improve control of the interaction between the intrastate management and planning of the integration measures and the planning cooperation among the CEMA countries.¹⁷

One of the basic problems in connection with the development and intensification of the socialist economic integration is the conversion of the CEMA countries' economic and scientific cooperation into internal conditions conducive to improving the productivity and efficiency of social production and of safeguarding the supply of key raw materials, fuel, equipment, etc. It is primarily this aspect that the arrangements, treaties and agreements concluded within the framework of scientific-technical cooperation are concerned with. The basic aim of the socialist international division of labor, which is determined by the intensive reproduction type, is to help accelerate the scientific-technical advances and improve the efficiency of social production--and this aim largely determines the direction of the adaptation of the systems of state management, planning and economic stimulation to the requirements of the integration process. In this regard, one can discern the following basic trends in the adaptation of the state management, planning and economic stimulation to the new qualitative conditions concerning the further intensification of the socialist economic integration in the 1980's:

Firstly: Further improvement of the entire management and planning work at all administrative levels with the object of tapping additional reserves for improving efficiency by means of international socialist cooperation and production. This implies elaboration of constructive proposals on the part of the respective country--proposals that make allowance for the economic interests and specific conditions of the partners--and it generally serves to improve the quality of the plan-preparatory work (demand analyses, technical-economic substantiations, demonstration of net efficiency). "Studies of the interaction between intensification and socialist economic integration have shown that it...is important--especially in the 1980's--to utilize--on the basis of constructive proposals on the part of the respective country--the advantages of socialist economic integration as an intensification factor for the intensively expanded reproduction. In this respect," W. Kunz just emphasizes, "there is practically no alternative."¹⁸

A crucial problem in this connection is the inclusion of economic units in the preparations for measures concerning socialist economic integration. This entails high demands on the planning of the combines and on the long-term conceptional work of the central state organs. "Of great importance in this regard is the elaboration of developmental plans and programs for selected economic complexes and processes under the direction of the State Planning Commission, the Ministry for Science and Technology, the GDR Research Council and the ministries and combines."¹⁹

Secondly: Consistent orientation of the state management, planning and economic stimulation toward acceleration of innovation processes with due regard for the advantages of the socialist international cooperation and division of labor in science, technology and production. In this connection, it is necessary to accomplish the following tasks with due regard for accurate planning:

- Scientifically grounded selection of the key tasks and technical-economic substantiation of their inclusion in the scientific-technical cooperation with the object of further concentration of the international cooperation on the primary tasks concerning the intensification of the reproduction process in the CEMA states.
- Safeguarding of the complex cooperation—from research and development to comprehensive economic utilization of the results of the scientific-technical cooperation in one or several CEMA states. In these endeavors, the conceptual approach to the problems concerning utilization of the results should be designed to insure that the decision-making process is based on several variants of economic utilization (international socialist production specialization and cooperation, sale or acquisition of licenses, cooperation in third markets in regard to export of installations).
- Improvement of the planning of science and production—also in the international arena—as a unified process; to accomplish this, it will be necessary to eliminate any doubling of economic and scientific-technical cooperation and to consider, treat and analyze the scientific-technical cooperation and the research and development as an integral part of the entire reproduction process.
- For each project of scientific-technical cooperation, determination of the economic interests by means of thorough studies during the preparatory phase. In this way, one can more easily determine whether the respective partner takes an interest in joint research and in cooperation on the utilization of the results or whether the partner is merely interested in an exchange of information or documents.
- Timely preparation of measures concerning the international socialist production specialization and cooperation; above all, this calls for establishment of the requisite conditions in regard to labor, materials and capital. The resource aspect is of great importance in this regard. This is pointed out by I. F. Motorin who states: "The process of integration does not change the object of the planning; rather, it calls for intensification of the resource-oriented approach to the elaboration of the plan project."²⁰

Thirdly: Increased emphasis on continuity, complexity and stability of the management and planning work.

The long-term character of the solution of a number of problems on the basis of further intensification of the economic and scientific-technical cooperation (e.g. in the raw materials and energy sector, in the field of science and technology and in the transport sector) and the long-term effects—resulting from the implementation of the measures planned in this field—on the structure, effectiveness and proportionality of the reproduction process call for close attention to the problems involved in improving the quality of the long-term planning in the CEMA

countries. What with the increasing complexity of the international socialist division of labor and the increasingly close links between the cooperation in the field of science and technology, the cooperation in the field of material production and the cooperation in the field of foreign trade, there is increasing need for a complex approach to the preparation and implementation of integration measures. This goes also for the interrelationship which exists between the development of the international socialist division of labor and the cooperation with nonsocialist countries and which must be taken into consideration here. "Regarding the concrete management and planning in the combines, one can thus deduce that one must also fully consider and plan the complex interrelationships between the socialist economic integration and the relations with countries of the nonsocialist economic area."²¹ Likewise of great importance is the aspect of incorporation of the integration measures in the economic reproduction process, i.e. the necessity to conceive, prepare and plan them as an organic part of the economic reproduction process and to insure implementation of the integration commitments made. The basic problem in this connection is the safeguarding of the unity of plan, balance sheet and agreement and of the unity of material and financial planning; the safeguarding of the planning of the integration measures at all stages of the elaboration of the economic plan and the balancing of these measures vis-a-vis the target figures of the plans for science and technology, investments, production and exports and imports, and the safeguarding of a close link with key balance sheets, etc.

As the national economy of the various countries complement each other and interlock, they become more and more interdependent. Thus the factor of stability and reliability in the field of economic and scientific-technical cooperation assumes increasing importance and greater demands are made on the quality of the state planning and of the plan. The socialist economic integration requires increased stability in regard to the planning and consequently a high degree of balancing. It calls for real, stable and balanced plans in the countries.

Inseparably linked with the above problems are the problems concerning safeguarding of the implementation of the mutual commitments made in the fields of foreign trade, science, technology and production. "Experience has shown," H. Tschanter points out, "that at the present high level of division of labor the disruptions caused by tardy and sloppy fulfillment of the mutual obligations are magnified. Thus painstaking fulfillment of the agreements made is a precondition for the full utilization of the advantages offered by integration."²² To make allowance for this, the commitments made must be incorporated in the economic plans and they must be made binding. In the last few years, great progress has been made in this respect in the various countries on the basis of elaboration of the specific plans for "socialist economic integration." At the same time, the development has shown that a number of crucial questions and problems in this field must be studied in greater detail. One of these problems is the safeguarding of the requisite planning complexity.

Fourthly: Further mutual assimilation of the intrastate systems of management, planning and economic stimulation. This trend is based on two aspects:

a) The aspect of the fundamentally identical social, economic and political objectives and basic tasks of the European CEMA countries in regard to the organization or improvement of the developed socialist society;

b) the aspect of intensification of the socialist economic integration as a characteristic feature and basic condition of developed socialism.

In consequence of the emphasis on these two aspects, it is evident that this is by no means primarily a question of standardization of the management systems. In regard to problems concerning the economic mechanism of cooperation among the CEMA countries, J. S. Shiryayev made the following interesting observations: "This is not a question (he is referring here to the assimilation and interaction of the management and planning systems in the CEMA countries—M. P./H. Z.) of standardization (even though standardization within certain limits appears to be expedient, if it is oriented toward introduction of the best solutions—as judged from the standpoint of the given country—in regard to the economic mechanism), nor is it a question of facilitation of contacts among the partners through introduction of generally recognized norms of foreign trade activity at all economic levels. We consider more important the common and identical orientation of the economic systems toward solution of those problems at the present stage of economic development that result from the great acceleration of scientific-technical progress and from the increased requirements in regard to the qualitative aspect of the production work."²³

The first aspect places emphasis on a basic element—the necessary and possible exchange of experience in the development of the countries' intrastate management systems. Since the basic econopolitical tasks in the various countries are identical, this mutual assimilation is necessary for finding and applying the most effective means and trends in the further improvement of these management systems through utilization of the best results obtained in these countries. The second aspect emphasizes the interconnection with the socialist economic integration. Here the objective must be systematically and effectively to promote the integration process by applying the most efficient forms and methods in all of the CEMA countries.

At the 26th CPSU Congress and at the 10th SED Congress, it was demanded that experience be exchanged in the field of economic management and that the structures of the management mechanisms be assimilated; this demand implies a basic orientation toward further adaptation of the state management, planning and economic stimulation in the CEMA countries to the changed reproduction conditions in the 1980's and it brings into focus the requirements concerning intensification and socialist economic integration. This is a protracted and complex process, which comprises further thorough theoretical and practical studies concerning improvement of the intrastate management systems and an intensified exchange of experience on the further organization of the systems of management, planning and economic stimulation. At the same time, the mutual consultations and the coordinated, joint research projects will concentrate on those fields where assimilation of the management systems—due to the requirements of the intensification and of the integration process—is possible and necessary. Of crucial importance in this regard is the creation of appropriate management- and planning-related conditions for the expansion of the direct contacts among the ministries, offices, economic units and research institutions within the framework of the economic and scientific-technical cooperation among the CEMA member states.

FOOTNOTES

1. "Report of the SED Central Committee to the 10th SED Congress," Berlin, 1981, p 50.
2. PRAVDA, Moscow, 5 Mar 81.
3. PRAVDA, Moscow, 1 Apr 81.
4. "26th CPSU Congress—Report of the CPSU Central Committee and the Next Tasks of the Party in Domestic and Foreign Policy," Berlin, 1981, p 58.
5. "Report of the SED Central Committee to the 10th SED Congress," op. cit.
6. PRAVDA, Moscow, 7 Apr 81.
7. "26th CPSU Congress, Report....," op. cit., p 13.
8. PRAVDA, Moscow, 7 Apr 81.
9. J. S. Shiryayev, "The Socialist International Division of Labor," Berlin, 1979, pp 14 ff.
10. "Report of the SED Central Committee....," op. cit., p 83.
11. Ibid., p 80.
12. H. Tschanter, "The GDR in the Process of Socialist Economic Integration," EINHEIT, Berlin, 1981, No 4/5, p 411.
13. F. Engels, "Outlines of a Critique of Economics," in: K. Marx/F. Engels, "Works," Vol 1, Berlin, 1956, p 509.
14. A. Anchishkin, "Basic Trends in the Intensification of Social Production," KOMMUNIST, Moscow, 1975, No 11, pp 46 ff.
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CSO: 2300/95

LAW ON SEVENTH FIVE-YEAR PLAN APPROVED BY ASSEMBLY

Prague HOSPODARSKE NOVINY in Czech 29 Dec 81 pp 10-11

["Law No 122/1981 of the Collection of Laws on the State Plan for the Development of the National Economy of the Czechoslovak Socialist Republic for the 1981-1985 Period"]

[Text] Proceeding from general policies for the building of developed socialist society, from the Main Directions of the Economic and Social Development of the CSSR for the 1981-1985 Period, approved by the 16th CPCZ Congress, from the results of the development achieved during the past period, as well as from the developing internal and external conditions of the current continuous development of national economy, the Federal Assembly of the CSSR promulgated the following law:

Part One

Main Goals and Tasks of the Seventh Five-Year Plan

Article 1

The present law stipulates the main goals and tasks of the state plan for the development of national economy of the CSSR for the 1981-1985 period (henceforth "Seventh Five-Year Plan") and the decisive preconditions for its implementation as the mandatory directive for the controlling function of the government of the CSSR for the governments of the republics, for the central and other authorities of the CSSR and of the republics, and for the economic function of socialist organizations.

Article 2

The key goal of the Seventh Five-Year Plan stemming from the economic and social policies of the CPCZ is to maintain even under substantially aggravated external and internal conditions and to upgrade the already achieved high living standard of the population and its social welfare in accordance with the results which the national economic development will achieve.

Article 3

The following basic tasks are hereby stipulated for the fulfillment of this goal and for the consolidation of the socialist state;

- a) To create preconditions for a gradual growth of the rate of social production and for a dynamic balance during the Seventh Five-Year Plan by means of enforcing substantial intensification of the economy, efficiency and quality of all labor, by appropriate structural changes and by the most thorough application of the achievements of scientific and technological development;
- b) To create preconditions for 2-2.6 percent annual growth of the national revenue and to cover approximately 90-95 percent of its increment by the growth of the social labor productivity; to increase the growth of the created national revenue faster than its expenditure;
- c) When creating and using the social product and national revenue, to promote a more dynamic advance in the growth of exports before imports, to economize with resources for consumption in production, especially with imported raw materials, materials and products, to satisfy social and personal consumption of the population appropriately (in proportion to the accumulation of resources), and to use resources for investments and reserves economically; to reduce the share of accumulation in the created national revenue over past years;
- d) To further intensify the participation of the CSSR in the international division of labor, particularly with the CEMA states, and above all, with the USSR;
- e) To implement socialist economic integration, specialization, cooperation and scientific and technological collaboration more efficiently so that they help upgrade the technological standard of production, labor productivity, increase mass production and efficiency and reduce the consumption of energy and materials;
- f) To increase the export efficiency of the Czechoslovak economy, to reduce its demands for imports, and to enforce more flexible adaptation of production and foreign trade to the requirements of world markets; to set preconditions for a 35-40 percent raise in the exchange of goods in foreign prices in foreign trade;
- g) To continue dealing with the key problems of the unified Czechoslovak economy and to focus the development of the CSR and SSR in that direction, with faster economic dynamism in the SSR in order to raise its share in the formation of statewide resources; to utilize natural and economic opportunities for development, particularly the technical production base and the increment of the employable population, to the best advantage;
- h) To safeguard the defense of the country and to further increase its strength;
- i) To increase systematically the efficiency of management and planning in the national economy and to react with tenacity of purpose to changing objective conditions and preconditions on every level; for that purpose, to implement consistently measures for improving the system of planned national economic management and to develop them further.

Article 4

To fulfill the tasks in increasing national economic efficiency and quality of all labor and in enforcing good stewardship in every branch of the national economy, the following tasks are stipulated in particular:

- a) To safeguard continuous growth of labor productivity in industry, construction and agriculture, to apply progressive output norms, and to systematically raise efficiency in the nonproduction sector; to upgrade significantly the utilization of available resources of manpower and to improve the existing structure of employment;
- b) To achieve a decisive turnover in the intensity of utilization of capital assets and working capital, especially reserves;
- c) To enforce more profitable utilization of capital assets, conservation and rationalization in the whole investment process, to reduce the rate of projects under construction, to limit the extent of newly launched construction projects, and to cut the construction timetable; especially in the processing industry to introduce programs that require moderate investments and bring fast return, as well as modernization and rationalization projects;
- d) To adapt the production-technical base and the structure of production more efficiently to the demands of progressive changes and to the requirements stemming from the use of products;
- e) To substantially improve the quality and technological standards of products, particularly their utility and esthetic quality and their reliability; to introduce rigorous norms of quality of goods and to implement measures for efficient application of new technologies in production and services;
- f) To promote rational exploitation of natural resources, especially agricultural and forest land resources and water in accordance with the given potential and needs;
- g) To mobilize and utilize in every sector of production, services and consumption.

Article 5

For higher savings, enhancement and more economical utilization of all types of fuels, power, raw materials and materials, and for lower material consumption of social production, the following tasks are stipulated in particular:

- a) To achieve in the national economy during the 1981-1985 period at least 2 percent average annual savings and enhancement of fuels and power and a 4.5-5 percent annual savings and enhancement of metals in production, and to increase recycling of metal waste and other secondary raw materials above the current volume; by the same token, to proceed according to the state goal-oriented programs for rationalized consumption of fuels and power and for rationalized consumption of metals, and to that end to introduce new efficient technologies of production.

Article 8

For the development of industrial and construction production it is stipulated:

- a) In the development of industrial production, to pay utmost attention to the structure of production and its utilization; to enforce substantial improvement of economic efficiency, quality and technical standard of goods, to reduce power and material consumption of manufactured products and to enhance raw materials, including raw materials of domestic origin and secondary sources of raw materials, to better advantage; to raise the overall volume of industrial production by 14-18 percent during the Seventh Five-Year Plan, 12-16 percent of it in the CSR and 18-23 percent in the SSR;
- b) To ensure a further rise of labor productivity in all industrial branches, namely, by better organization of production, labor and management, by more efficient utilization and further improvement of the technical equipment of work forces, by intensified integration of the Czechoslovak economy in the international division of labor, by organizing socialist competition, by liquidation of obsolete and unsatisfactory types of production, and by other intensifying factors;
- c) To utilize labor forces in modern capacities to better advantage by focusing on a higher shift frequency;
- d) To provide preconditions for coal and lignite mining to reach 125-128 million tons in 1985; to achieve a decisive share in the increment of electric power from the production of nuclear power plants;
- e) To improve substantially the quality and selection of metal products by increasing the share of tempered steel and efficient types of metallurgical products;
- f) To enhance the role of machine engineering in the structure of industrial production; to achieve a 28-33 percent growth in machine production, 36-42 percent of this in the electrical engineering industry where an accelerated development of the sectors of electronics and modules will affect the development of the technical standard and quality of production and the branches implementing the state goal-oriented programs; to provide better supply of the needed spare parts;
- g) To concentrate on the development of chemical production in the branches of advanced chemistry; to reduce by effective measures the consumption of petrochemical products to the necessary level;
- h) To utilize more thoroughly wood pulp in the national economy; to increase production in the wood-processing industry by 22-25 percent;
- i) To concentrate the development of light industry on better quality and technical standard of goods and on more intensive innovation of selection of products, and to supply the domestic market with novelties and luxury products; to increase light industry production by 12-15 percent in the Seventh Five-Year Plan;
- j) To accommodate the development of construction production and of its structure to the needs of capital investment, repairs and maintenance, and to ensure the completion of construction projects and final deliveries; to concentrate

b) To introduce and consolidate systematically norms for the consumption of fuels, power, raw materials and materials, and to apply them in planning and accounting, in the control of the fulfillment of the plan and in the management on every level for which central authorities of the branches are directly responsible.

Article 6

In order to upgrade the technical-economic level of production and to implement expeditiously the achievements of the goal-oriented scientific and technological directions, the following tasks are stipulated:

a) To focus research and developmental capacities on the solution of the most urgent economic tasks in order to accelerate the programs and to advance substantially the implementation of their results in social practice; at the same time, to expand drastically the share of new products with high technical-economic parameters and thus, to help increase profitable exports to world markets and better satisfy the demands of the domestic market;

b) To introduce without delay the achievements of the scientific technological development in the production and other social areas by focusing preferentially on the planning and introduction of new products and technologies with the lowest requirements of resources of fuels, power, raw materials, materials, investments and foreign currency.

Article 7

For replacement of capital assets it is stipulated:

a) To utilize capital assets more efficiently and to ensure their proper maintenance and repairs;

b) To launch new capital investment projects with the highest efficiency of invested capital, and to use it exclusively to satisfy the most urgent needs of national economic development; to avoid increasing the scope of investments in individual years of the Seventh Five-Year Plan above the present volume so that their average annual volume of investments does not exceed Kcs 135-150 billion;

c) To concentrate capital investment mainly on programs designated to increase export efficiency and to prevent economically unjustified imports, on programs for rational fuel and power consumption, and on the necessary development of its resources, on modernization, on programs for more efficient utilization of facilities, for conservation of raw materials and materials, especially metals, on conservation of work forces, on application of scientific technological achievement and on greater self-sufficiency in food consumption; to focus on launching of capacities into operation according to schedule and on reducing the schedules for construction;

d) To avoid launching construction projects without fully guaranteed investments and planning, to improve efficiency of designs for urbanistic, architectural and technical projects; to use standard models and stereotype plans more extensively.

construction capacities on vital construction projects and on areas of concentrated capital investment, to improve the quality of construction technology and render it more efficient, to reduce its energy consumption, and to exploit, preferably, local sources of construction materials.

Article 9

For the development of branches supplying food for the population it is stipulated:

1. In the development of agricultural production

a) To increase agricultural production during the Seventh Five-Year Plan approximately 7-10 percent above the Sixth Five-Year Plan; to continue to intensify individual sectors of production with preference for higher crop production;

b) To gradually achieve self-sufficiency in grain production and furthermore, to increase self-sufficiency in food production in general; to create preconditions for that purpose by developing harmony among all branches involved in food supply;

c) To use agricultural land resources to the fullest extent for crop production, to upgrade its protection, and to increase its productivity systematically; to impose a strict system in the management of grain funds;

d) To develop livestock production in accordance with a realistic potential for the production of fodder and to expand it mainly by means of the development of cattle raising and higher utility values of livestock.

2. In food production

a) To achieve higher enhancement of raw materials and by-products in every branch;

b) To upgrade the quality of products and to accelerate the introduction of new products and innovations; to increase the durability and nutritional value of food items;

c) To integrate relations between basic agricultural production, the processing industry and trade;

d) To meet the planned needs of agriculture by the development and structure of engineering and chemical production and of other supply branches.

Article 10

For the development of the forestry economy it is stipulated:

a) To ensure preconditions and opportunities for the further growth of productivity and other functions of forests, and to protect the forest fund;

b) To cut timber according to productive capacities of the forests; to utilize wood pulp more efficiently and to use its waste.

Article 11

For the development of transportation and communications it is stipulated:

- a) To ensure efficient, good and uninterrupted transportation for the needs of our economy and population;
- b) To decrease the demands for transportation of social production primarily by rationalization measures by transporters and by liquidation of inefficient cooperatives and uneconomical transport of goods;
- c) To develop advanced transport systems and to drastically cut power consumption in all types of transportation; to create preconditions for raising the volume of railroad transportation by 5 percent during the Seventh Five-Year Plan;
- d) To continue the process of automation of telephone services, to improve the quality and raise the level of all communication services to the population and socialist organizations, and to improve their efficiency.

Article 12

For the development of the living standard and employment it is stipulated:

- a) To enhance the living standards of the population in the areas of personal and social consumption according to the achieved growth of efficiency of social production and higher labor productivity;
- b) In the development of wages, to systematically enforce their correlation with the effect of the work of the collectives and individuals and their contribution to society; to enhance the emphasis on the stimulation of high efficiency of all social labor in every area;
- c) To improve the housing conditions of the population by building new housing, by remodeling and modernizing housing capacities, by improving public facilities and by emphatic regulation of underutilized housing units; to orient the participation of the population toward the same objective; to complete the construction of 480,000-550,000 housing units in 1981-1985;
- d) While maintaining the current volume of services offered free of charge, to further improve the advanced system of health care and social welfare, school and educational systems and the care for the development of culture and physical education; to improve the stewardship and to use the work force resources in this area more efficiently;
- e) To focus the development of employment so as to further enhance the efficiency of labor value added, particularly by creating a system of incentives and economic opportunities for more rational management with resources of labor forces, by modernization and better organization of labor, by better labor discipline and a higher standard of management;
- f) To improve the environment, especially in industrial areas, and to protect the purity of water and air;

- g) With the cooperation of trade union organizations to enhance care for better working conditions and working environment, occupational safety and health protection;
- h) To develop the approved forms of care for children of preschool and school ages, for families with children and for elderly and handicapped citizens;
- i) To improve the functions of the domestic market and of paid services; to improve the cooperation of the domestic market with production so that they react more flexibly for the satisfaction of consumer demand.

PART II

Conditions and Preconditions for the Fulfillment of the Seventh Five-Year Plan

Article 13

The government of the CSSR and the governments of the republics

- a) supervise, within their administrative function, the fulfillment of the basic goals and tasks stipulated by this law;
- b) specify the tasks stipulated by this law and systematically control their fulfillment;
- c) according to preceding regulations, within their activity, coordinate the function of the state administration organs and organs of economic management so that the task stipulated by this law be fulfilled in the best way possible and so as to achieve the best possible economic results;
- d) organize programs in operational (annual) plans for the best possible fulfillment of the Seventh Five-Year Plan.

Article 14

- (1) The organs of the state administration and the organs of economic management are responsible for scrupulous fulfillment of main goals and tasks stipulated by this law, for the assignment of specific tasks and duties to their subordinate organs and organizations, and for their systematic control and evaluation.
- (2) Economic organs and organizations must vigorously and with initiative seek and enforce the most efficient procedures and measures in exercising their duties and also to use counterplanning for that purpose.
- (3) The organs must meet the planned goals in accordance with Paragraph 1 while systematically observing the principle of proportional development between the creation and utilization of resources in agreement with keeping each organization dependent on the results of its stewardship. In cooperation with the organs of the ROH [Revolutionary Trade Union Movement], the organizations will contribute toward the implementation of this principle by improving wage policy and by enhancing the quality of the norms of consumption of labor value added and labor content as well as by utilizing all potential untapped assets.

Article 15

(1) The government of the CSSR, the governments of the republics, central organs of the state administration and economic management organs are obligated to systematically raise the level of managing and organizational work and of control on all levels of the management; they shall pay due attention to improving the quality and authority of the plan as the basic tool of management and as a precondition for the protection of the growth of social efficiency and the resultant national economic effects. Economic management organizations are responsible especially for applying economic plans as efficient tools to implement the achievements of scientific technological development; they will supervise improvement of quality of production, reduction of the consumption of power and materials, expansion of export potential and better utilization of capital assets and work forces.

(2) Economic management organs and organizations must systematically promote the fulfillment of the main goals and tasks of the Seventh Five-Year Plan by developing creativity of the people, their social involvement, vigorous activity, initiative and responsibility in their work, by enhancing the discipline of labor and management, by organizing and further expanding socialist competition in its most versatile forms, and by developing inventors' and improvers' movements; in cooperation with the trade union organs, they must intensify the participation of the working people in the creation, implementation and control of the fulfillment of national economic plans and in other managing and control programs.

(3) The organs and organizations must strive to reduce administrative demands on management on every level, to render the managing and administrative apparatus more efficient and to reduce it and concurrently to increase both the professional qualification and the skills and performance of managers.

(4) All levels of management will systematically control the fulfillment of the Seventh Five-Year Plan and provide preconditions for its fulfillment.

Article 16

(1) The state budgets of the CSSR and the state budgets of the republics proceed from the main goals and tasks of the Seventh Five-Year Plan and from the five-year plans of the republics, from the estimated budget of the CSSR and from the estimated budgets of the republics for 1981-1985, from executive state plans and from the principles of fiscal policies stipulated by the CSSR government.

(2) The state budgets of the CSSR and the state budgets of the republics promote the objectives, intentions and tasks of the state plans and with the aid of financial economic policies they dynamically affect the fulfillment of the plans and enforce good stewardship.

(3) The government of the CSSR sets appropriate tasks to specify the goals and to fulfill society-wide programs of fiscal, budgetary and monetary policies.

(4) In their planning and in budget management all organs of the federation and of the republics responsible for the specification of budget proposals strive for the consolidation of the tasks stipulated in Paragraph 3.

Article 17

- (1) In principle the state budgets of the CSSR and the state budgets of the republics are balanced.
- (2) In conjunction with the tasks of the executive state plans of the CSSR and in agreement with the principles of economic management, goal-oriented and global subsidies to state budgets of the republics are granted from the state budget of the federation so as to balance the state budgets of the republics.

Part Three

Final Stipulations

Article 18

- (1) The government of the CSSR will specify the data stipulated in this law in new wholesale prices announced as of 1 January 1982.
- (2) For purposes of experimental testing of new factors in the planned management of national economy the government of the CSSR, or as the case may be, the governments of the republics may permit exemptions from the stipulations of laws regulating national economic management.
- (3) The government of the CSSR may issue generally binding legal regulations to safeguard appropriate quality and efficiency of products and performances, especially in the production and similar economic functions.
- (4) On the basis of this law and of the principles stipulated by the government of the CSSR, central organs of the state administration of the federation may issue generally binding legal regulations to safeguard economical exploitation of selected resources of materials and raw materials.

Article 19

The state plan for the development of the national economy of the CSSR for 1981 stipulated on the basis of law No 178/80 of the Collection represents the operational state plan for the Seventh Five-Year Plan.

Article 20

This law becomes valid on the day of its announcement.

9004

CSO: 2400/107

CZECHOSLOVAKIA

EXPANSION OF SOVIET-CSSR TRADE, ECONOMIC RELATIONS

Cooperation in Chemical Industry Reviewed

Prague HOSPODARSKE NOVINY in Czech 20 Nov 81 p 1

[Article by Eva Richterova, Office of the CSSR Government Presidium: "Fulfillment of Specialization and Cooperation Agreements"]

[Text] Cooperation with the Soviet Union in the chemical and petrochemical industries has, since World War II, rendered important assistance in the building of our chemical industry and affected its subsequent development and achievements. As early as in the 1960's, the Soviet Union assumed second place in the world in terms of the absolute volume of chemical production. By now, its position has been further strengthened, and some branches such as, for example, crude oil, industrial fertilizer production, and others, it is in first in the world.

In the early postwar years, the USSR helped in the development of our chemical industry through organization, design and construction in various types of chemical production, such as ammonia, nitrogen and phosphorous fertilizers, synthetic rubber and alcohol, phenol, chemical fibers and raw materials for their production. In addition, there were deliveries of raw materials which made possible not only progress in our processing branches, but also throughout the national economy. It was the construction of the Druzba pipeline through which there has been since 1962 an uninterrupted flow of crude oil which continues to this day. Since the start of operations, almost 250 million tons of crude oil have been furnished the CSSR. These deliveries have in the past provided more than 90 percent of the overall needs of Czechoslovakia. Since the mid-1970's (i.e., since the appearance and continuation of the world energy crisis which is accompanied by a sharp price rise of this raw materials and its growing shortages on the world markets), the USSR has been the sole provider of crude oil to the CSSR, and this at a favorable price in comparison with the current world level.

The world energy crisis has to some, even though limited, degree been reflected even in conditions of the Soviet Union and Czechoslovakia. Moreover, sources of oil are limited even in the USSR and are moving out to more remote and less accessible areas (western Siberia) where drilling operations are significantly more expensive. For this reason, the 26th CPSU Congress, like the 16th CPCZ Congress, emphasized the inevitability of savings measures in oil consumption, especially in its use as a source of energy.

Another important energy source and raw material for the chemical industry (ammonia, industrial nitrogen fertilizers) is natural gas, deliveries of which to the CSSR have since 1968 covered more than 80 percent of our economy's needs. Another example of chemical raw-material supply are the deliveries of phosphorus fertilizer concentrates, based on the agreement on cooperation in the construction of the Fosforit plant in the Soviet Union.

During the 1970's, cooperation between Czechoslovakia and the Soviet Union began to extend in specialization and cooperation in production to production and mutual deliveries of chemical and petrochemical raw materials and products. In consonance with the coordination of the national economic plans of both countries, and on the basis of long-term 5-year trade agreements, the USSR also supplies in the sphere of chemical and petrochemical industries--beside the already mentioned basic raw materials, such as crude oil and natural gas--a number of others. These are primarily deliveries of industrial fertilizers where the USSR covers all of the CSSR import needs in nitrogen fertilizers and the major part of needed potash and phosphorus fertilizers. Furthermore, this includes deliveries of gasoline, petrol for chemical processing, petroleum, aviation fuel, synthetic rubber, automobile and industrial lubricants, chemical and natural fibers, cellulose, paper and cardboard, sulphuric acid, ammonia, methanol, and other products.

CSSR exports to the Soviet Union are primarily in the sphere of qualified chemistry, such as organic dyes, pure chemicals, pharmaceutical products, protective coating materials, rubber products, etc. Given the structure of mutual deliveries of chemical and petrochemical products and raw materials, the CSSR balance in this area continues to be passive.

With the rising turnover in CSSR foreign trade, the turnover of mutual goods exchange between the CSSR and USSR has during the period 1950-1975 risen roughly 11.3 times, and during 1976-1980 by about 195 percent in comparison with the preceding 5-year period. Based on closed agreements, it is expected that during 1981-1985 there will be an increase of more than 38 percent in goods exchange between the two states in terms of material volume. Of the overall important of chemical products and raw materials, deliveries from the Soviet Union in 1975 represented about 40 percent, and in 1980 rose to more than 70 percent. The share of CSSR chemical exports to the USSR has stabilized at the 15 percent level. The long years of cooperation between the two countries have created conditions for the development of specialization and cooperation in production. The first agreements were signed in 1971-1975. In comparing the overall turnover of deliveries of chemical and petrochemical products under the long-term trade agreement (not including deliveries of oil) with the deliveries of specialized products under closed inter-government agreements, the share of specialized mutual deliveries in 1975 amounted to about 12 percent, in 1980 rose to 32 percent, and in 1985 (in 1980 prices) is to reach, under valid specialization agreements, roughly half of the volume of mutual exchange of chemical and petrochemical products.

Within the framework of specialization, the USSR ensures the production and delivery of such products as, for example, basic organic and inorganic acids, chemicals for the protection of plant life, chrome and copper, bromine, iodine, peroxide, hydrogen, raw materials for the production of protective coating materials, photographic materials, selected types of organosilicous alloys and

plastics. The cited deliveries represent an important portion of the raw-material base in the CSSR chemical industry which we would otherwise have to purchase on third markets.

According to delivery volumes anticipated in the agreement, during 1981-85 we will be importing from the Soviet Union about 1 million tons of the above-mentioned products, for the production of which we would consume about 1.1 million TMP [tons of standard fuel]. We will balance this import by 50,000 tons of products which we will produce with a consumption of about 330,000 TMP. In this manner the CSSR national economy will save during the given period approximately 780,000 TMP, which is important especially now when savings in energy consumption in all branches of our national economy are extraordinarily urgent. At the same time, we expect that capital investment outlays expended for ensuring this production and mutual deliveries between the CSSR and USSR, will be roughly balanced on both sides.

In the long-term specialization under the agreement, the CSSR has a secure opportunity for building up mass production and for developing selected branches of the qualified chemical industry, especially in the area of pure chemicals and auxiliary rubber substances which make possible more effective utilization of expended outlays, along with reliable long-terms sales to the Soviet Union.

The agreement is in force until 1995, and for the eighth and ninth five-year plans we anticipate further expansion in mutual deliveries.

In the future, a coordinated approach must more decisively contribute to a speedier completion and introduction into production of new technological processes, with the aim of covering, above all, the need for products of high technological level and quality. In addition, there is the growing importance of a more rationalized utilization of all types of materials and energy. We must also consider the fact that there remain certain unresolved problems in international specialization and cooperation. Insufficient, for example, is the share of new, technologically more demanding, products, and current opportunities are not always reflected in the technological characteristics and quality of certain types of specialization, where we also find some duplication in production. Thus in the coming period, it will be necessary to utilize all reserves toward more effective application of the economic, scientific and technological potential in our two countries, and to make cooperation more effective.

In the petrochemical industry, the specialized deliveries of synthetic rubber and carbon black cover the bulk of CSSR needs in the import of these raw materials, and thus enable us to develop such important branches as the production of mechanical rubber and automobile tires. With the specialized deliveries of aviation fuel, automobile, aviation, and industrial oils and grease, the USSR guarantees the needs of CSSR automobile and air transport, as well as other industrial spheres, since we have no raw-material and capacity prerequisites for the manufacture of such products.

In its relations with the Soviet Union, Czechoslovakia specializes in the production and deliveries of such products as chemicals, organic dyes, and semifinished products for their manufacture, auxiliary textile means, rubber chemicals,

chemicals for the protection of plants, epoxide resin, and protective coating materials, as well as selected products of mechanical rubber, photo chemicals and others.

A mutually beneficial form of cooperation is the selective exchange of certain types of chemical and petrochemical products. This is implemented, for example, in tires delivered as reserve for vehicles of CSSR or Soviet manufacture, in chemicals for the needs of the population and in certain types of plastics.

Of greatest importance in the agreements of the CEMA member states on specialization and cooperation is the division of labor in the manufacture of high energy-demanding and less demanding chemical products. In this connection, an agreement was signed last February between the CSSR and USSR governments, within the framework of which the Soviet Union assumes long-term specialization in the production of high energy-demanding chemical products for delivery to the CSSR, while the latter specializes in less energy-demanding products for delivery to the Soviet Union.

Under this agreement, the CSSR will cover its growing needs in nitrogen fertilizers, methanol, selected types of synthetic rubber and plastics, possibly other materials, with deliveries from the Soviet Union. In return, the CSSR will ensure for the USSR the production and deliveries of chemical products of so-called qualified chemistry, whose production is not of a high energy-demanding type and which is typified by a high degree of processing. These include selected types of detergents, protective coating materials, glass materials, etc.

Economic, Technical Relations Discussed

Prague HOSPODARSKE NOVINY in Czech 15 Jan 82 p 3

[Article by CPCZ Central Committee staffer, Vladimir Hamouz: "The USSR--The Most Important Partner"]

[Text] The economic and natural conditions of the Czechoslovak economy have always required broad cooperation with foreign countries. In the history of Czechoslovakia, the meeting of this objective necessity has not always brought about positive results. The orientation of the bourgeois republic toward the capitalist states, while neglecting cooperation with the USSR, resulted in a deep economic crisis in the 1930's, from which the Czechoslovak bourgeois economy did not recover during the entire remainder of its existence. It was, therefore, quite natural that the CPCZ in the Kosice government program insisted on changes in economic orientation toward cooperation with the Soviet Union and the newly emerging people's democratic states. It was only following the victory in February 1948 that such an orientation could be implemented as the fundamental policy line of Czechoslovakia's external economic relations. Cooperation with the Soviet Union has become the source and guarantee of a stable development in the Czechoslovak national economy during the entire postwar period.

In its foreign trade, Czechoslovakia exchanges with other states roughly one-third of its national product. Since 1948, the Soviet Union has been the most important trading partner of Czechoslovakia. After 1950, the USSR's share in the turnover of our foreign trade has been roughly one-third, while in 1980 it reached approximately 35 percent. Czechoslovakia, in turn, with its roughly 8 percent share is in fourth place in the overall foreign trade of the Soviet Union.

The high dynamism of mutual trade exchange is attested to by the fact that since 1948 it has risen more than 30 times. In 1980, it reached Kcs 58 billion, and during the Sixth Five-Year Plan Kcs 233 billion.

Economic Relations

Soviet deliveries hold a key position and play a decisive role in the dynamic and stable development of the Czechoslovak economy, not only with respect to volume but also in the structure of goods. They make it possible in a significant measure to satisfy our needs in fuels, raw materials, machinery and equipment. During 1976-1980 alone, we imported from the USSR over 15 million tons of coal, 88 million tons of crude oil, over 31 billion cubic meters of natural gas, more than 7 billion kWh of electricity, more than 33 million tons of iron ore reduced to 100 percent iron, about 4 million tons of pig iron, etc.

The Soviet Union is also the largest exporter of machinery and equipment to Czechoslovakia. It provides us primarily with aviation technology, agricultural machinery, computer technology, passenger cars, foundry and mining equipment, construction machinery, as well as whole industrial units. With USSR technological assistance and deliveries, we have during the years of the Sixth Five-Year Plan put into operation, for example, the first industrial nuclear power plant, built new sections of the Prague subway, and certain plants.

Analyses of the long-term development show a relatively stable CSSR export structure to the Soviet Union, especially after 1960. An important place is held therein by machinery, equipment and industrial consumer goods.

The most important in Czechoslovak exports of machinery and equipment are chemical goods, rolling and foundry equipment, machinery and equipment for the food and light industries, machine and shaping tools, transportation equipment, such as Tatra trucks, streetcars, locomotives, trolleybuses, peripheral equipment for the computer technology, communications equipment, flotation technology and other engineering products. We annually export about 900,000 tons of machinery and equipment to the Soviet Union.

The second most important category of exports to the USSR are consumer goods, which represent 20 percent of all CSSR export. The best known item in this grouping is footwear of which we have, during the last five-year plan, exported 177 million pair. The CSSR accounts for one-third of Soviet import of leather footwear. Among traditional exports are also clothing, knitwear, furniture, leather accessories, glass, porcelain, costume jewelry, etc.

Of great importance in the formulation of future CSSR-USSR economic relations is the coordination of the five-year national economic plans for 1981-85. The results of this coordination are reflected in the Long-term Agreement on Mutual

Delivery of Goods and Payments between the CSSR and USSR. Under the terms of this document, the mutual exchange of goods during the current five-year plan will, in 1980 prices, reach about 41 billion transferrable rubles, and includes both countries' commitments emanating from a whole range of previously closed agreements based on the Complex Program of Socialist Economic Integration. Thus, for example, the Soyuz pipeline constructed through a joint effort of the CEMA member states, is increasing its deliveries of Soviet natural gas to the CSSR by 2.8 billion cubic meters annually, and our participation in the construction of ultrahigh-tension transit line (750 kW) from the Soviet Union to the Hungarian Peoples Republic makes it possible to raise deliveries of Soviet electricity to the CSSR by 1.2 billion kWh annually.

Similarly, anchored in the long-term agreement are deliveries of iron raw materials, ferrous alloys, asbestos, phosphorus and other items from the USSR, emanating from CSSR participation in the construction of installations in the Soviet Union. Our mutual trade under existing conditions is not, nor can it be, based on a mere collection of random individual trade agreements. It is rather the result of a broadly-based economic, scientific and technological cooperation concept in practically all spheres and at all levels of management.

One of the most important facets of mutual cooperation in the area of fuels and energy--beside jointly constructed oil pipelines, gas lines, electric transit lines and deliveries of primary energy resources--is also cooperation in energy and mining engineering. Roughly since the 1950's, we have had deliveries of metallurgical technology, and in recent years extensive deliveries of equipment for our nuclear power plants. Soviet combines in our mine shafts annually extract more than 12 million tons of coal and excavate more than 28 kilometers of mine passages.

In metallurgy and heavy engineering, beside Soviet deliveries of iron ore raw materials and nonferrous metals, there is development especially of specialization and cooperation in production. About 62 percent of the overall export under the jurisdiction of the Federal Ministry of Metallurgy and Heavy Engineering to the socialist countries, goes to the USSR. In the area of electrotechnology and electronics, there is a long tradition of cooperation in telecommunications, computer and automation technology. To this is linked cooperation in the area of the electronics part base, and especially a wide-ranging agreement in the production of a unified series of asynchronous electric motors.

In the chemical industry, beside deliveries of raw materials from the USSR to the CSSR, of great importance is the agreement on the exchange of production highly demanding in raw materials and energy (developed in the USSR) for less demanding production (manufactured in the CSSR for export to the USSR). Based on this agreement, we will during the current five-year plan import from the Soviet Union about 1 million tons of production on which we would otherwise consume over a million TMP. For this we will export to the USSR about 50,000 tons of low-tonnage chemicals, on the production of which we will need over 300,000 tons of fuel.

We could cite more examples of mutually beneficial cooperation not only in the other industrial branches, but also in agriculture, transport, communications, commerce, in coordination on third markets, etc.

Scientific and Technological Cooperation

An irreplaceable role is played in the development of the Czechoslovak national economy by the scientific and technological cooperation with the Soviet Union, on which the first interstate agreement was signed as early as 1947. In the early postwar years, it consisted mainly of mutual exchange of documentation and mutual visits by scientists and specialists for study purposes. Later it became increasingly oriented toward research and development, and the resolution of problems in which both sides had an interest. As a result, there was considerable expansion in the number of cooperating research and development organizations of both countries, from the original 40 to 800 today. A transition to the division of labor and cooperation in this area began in the 1970's, and today we jointly face the need to pass from coordination of five-year plans of scientific and technological development to overall coordination of scientific and technological policy with a long-term view.

Instead of listing voluminous examples of productive cooperation, perhaps Czechoslovak-Soviet cooperation in the area of the peaceful use of nuclear energy can serve as the most illustrative example. Agreement on this subject was signed on 24 April 1955, i.e., less than a year after the first Soviet, and first in the world, nuclear power plant became operational. Based on this agreement, we received significant assistance in the training of nuclear specialists. We established the Institute of Nuclear Research in Rez near Prague, for which the USSR provided the reactor, cyclotron, and instruments and outfitting of certain laboratories.

A considerable number of future Czechoslovak nuclear physicists and technicians from the metallurgical, engineering, and energy branches, began their training in Soviet schools and research institutes. In 1956, an agreement was signed which marked the CSSR's entry into the United Institute of Nuclear Research in Dubna, and the beginning of cooperation in the construction of the first experimental nuclear power plant using natural uranium in the CSSR.

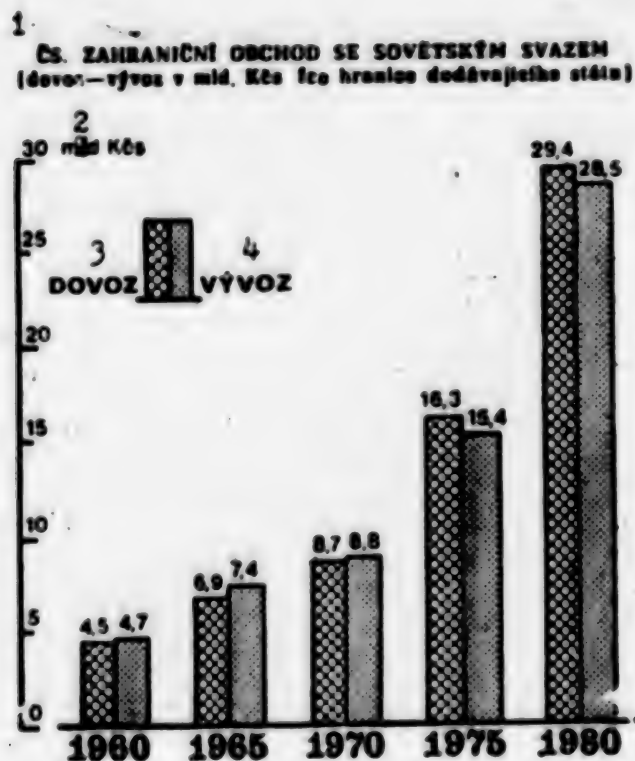
Based on subsequent agreements in the 1970's, the CSSR not only builds industrial nuclear power plants, but also important equipment for the plants, such as, for example, the reactor and complete outfitting for the reactor shaft.

In June 1980, we signed the Protocol of Cooperation between the CSSR and USSR in the Area of Nuclear Energy through 1990, according to which Czechoslovak and Soviet organizations will closely collaborate in predesign and design preparation of nuclear power plant construction. The Soviet organizations in this respect will play the role of chief designer and will elaborate the basic handling of technical projects. The program also deals with problems of technological outfitting in Czechoslovak engineering enterprises, with rationalized utilization of the scientific and technological base, and with the creation of necessary prerequisites for the realization of Czechoslovak commitments emanating from multilateral and bilateral agreements.

Specialization and Cooperation

During the years of postwar cooperation, an extensive division of labor developed between the production branches of both economies, which contributes to satisfying

the needs of both countries. The vast capacity of the Soviet market and the targeted character of planned economic development, has provided a natural foundation for the structural formation of the Czechoslovak processing industry, especially Czechoslovak engineering.



Key:

1. CSSR Foreign Trade with the Soviet Union (import-export in Kcs billion fco border of furnishing state)
2. Billion Kcs
3. Import
4. Export

An increasingly more important role herein is played by specialization and cooperation in production which has risen markedly during 1976-80. In 1980, the share of specialized items in overall Czechoslovak exports was 22 percent, and in imports more than 5 percent. The USSR imports 59 percent of the entire Czechoslovak specialized export production. Conditions for further development of this progressive form of cooperation were created in March 1980 by the signing of the Long-Term Program of Specialization and Cooperation in Production between the CSSR and USSR through 1990. This document reflects the need of both countries to expand production intended for the implementation of the most important national economic tasks. It also reflects the long-term target programs of cooperation approved at the 32d and 33rd CEMA sessions, and especially the

experiences gained and results achieved under previously-signed bilateral agreements between the CSSR and USSR. That these are positive experiences is attested to by the extension of most of the specialization agreements closed between the CSSR and the USSR during 1976-80. This applies especially to agreements on specialization and cooperation in the production of nuclear power plant outfitting, electronic computer technology, compressors and refrigeration equipment, asynchronous motors, construction and road-building machinery, machine and shaping tools, line technology for the manufacture of ammonia, food-industry equipment and agricultural machinery, electronic products, machines for automation, textile machinery, light industrial equipment, etc.

The long-term program is divided into a number of branch subprograms dealing with heavy and transport engineering, chemical and fuel oil machinery, tractor production and agricultural machinery, engineering for the breeding industry, textile, light, and food-processing industries, energy machinery, electrotechnical industry, electronics, production of automated systems of management, computer and communications technology, automobile industry and shipbuilding, machine tool production, and tools and products for the chemical and petrochemical industries.

The signed documents thus create conditions for further intensification of our mutual economic relations, higher effectiveness and serialization of production, for joint research and development in new products, for a higher technological level and quality. With respect to most products, we anticipate joint handling of research and development of raw machinery and outfitting, and the aims, forms, and tasks in science and technology have been set. In this 5-year period, we will develop and introduce into production 140 new types of products, 95 new technological procedures, 15 automated systems of management, and 14 types of new materials. Within the framework of joint resolution of 328 technological problems and themes, we will prepare 32 complete sets of technological and design documentation. The agreements also contain coordination in the area of licensing policy and export of capital investment units, lowering of the dependence on technological imports from the capitalist states, and the construction or expansion of new production capacities. As is clear from the above, this is an extensive document which calls for overall intensification of mutual specialization and cooperation in production as one of the principal means of ensuring further development of mutual economic relations.

Both the internal and external conditions of economic development in our two countries today place in the forefront the basic task of raising the effectiveness of the whole reproduction process. Realization of this strategic line is connected with the resolution of many mutually linked and in many ways mutually dependent tasks. At the 18th Plenum of the CPCZ Central Committee the general secretary, Comrade Gustav Husak, characterized it as follows: "It is a matter of making the Seventh Five-Year Plan a five-year plan of high effectiveness and quality, scientific and technological progress, cooperation and specialization in production with the Soviet Union and the other socialist countries." The Soviet Union will always be our most important economic partner, therefore, we must devote more attention to a clarification of long-term perspectives of mutual cooperation in all areas. A number of important newly-closed contracts and agreements with the Soviet Union of a political, economic, scientific, and technological character, will to a significant degree assist us in resolving the basic problems associated with the building of a developed socialist society.

CHANGES IN USE OF BASIC ASSETS, INVESTMENTS DISCUSSED

Modernization of Existing Equipment

East Berlin DIE WIRTSCHAFT in German Vol 37 No 1, 14 Jan 82 p 10

[Article by Prof Dr Hans-Joachim Beyer: "What Does a Change in Trend in the Use of Funds Mean?"]

[Text] In view of the harsher and more complicated foreign economy conditions, the economy in the current five-year plan also faces greatly changed accumulation requirements. Our economy simply cannot afford any more, today and in the future, to accumulate more and more in conformity with the basic assets that have grown from year to year. The primary task is to invest the means of accumulation more effectively and make more effective what we have got.¹ Of course, already in past years has a better utilization of basic assets been important to our economic efforts. But the implementation of the 10th party congress economic strategy involves a new performance requirement in principle also with respect to our basic assets. We must achieve a clear change in trend in the ratio between assets investments and economic benefits through a decidedly more intensive basic assets reproduction than heretofore. With it, it must be absolutely ensured for our expanded economic reproduction to be accomplished primarily on the basis of existing assets.

Expanded reproduction presupposes a steady growth in economic achievements, especially in our national income and industrial commodity production. As no growth requirement may bypass that course, what also counts from the vantage point of the basic assets is to achieve the necessary rate of economic growth in principle without any extra funds. Comrade Guenter Mittag has emphasized in this context that notions of paying for every percentage of increased labor productivity by an equally fast or even faster growing investment effort are contrary to economic efficiency.² This is what follows from it: we are not satisfied merely with a larger share in production growth by optimizing the use of the basic assets, but we expect of it the main share contributing to our performance. That to us is not an economic matter but a political matter of the first rank.

The extensively expanded reproduction of our basic assets has thus far been based on the growth of our basic assets with increasing rates of growth. While the basic assets in our economy grew at an annual average of 1.9 percent between 1951 and 1960, it reached 3.7 percent between 1961 and 1970, then 4.3 percent between

1970 and 1975, it came to 4.5 percent between 1975 and 1980. The 1980's mark also in this regard a fundamental turning point. One of the crucial developmental tendencies of the further development and reproduction of the basic assets, clearly distinguished from mainly extensive expansion, will be today and in the future a steady renewal and modernization by way of scientific-technical progress.

So-called international investment tests for the years till 1985 have established for the FRG, among other things, that rationalization not only continues to be the most important investment motive but will become even more important. Of all firms questioned, 89.8 percent regards it as the main motive for the years ahead. The higher energy and raw material prices are seen to be the decisive impulse for it by 90 percent of the firms. At the same time, 73 percent of the firms gives the conversion to new production methods, and 79 percent, quality improvements, as essential causes for the increasing importance of technical innovations and rationalization.³

These technical advances taking place on the international scale fully apply to us as well. They make possible as well as necessary achieving the essential performance and efficiency growth mainly through the rationalization of the existing basic assets and being more sparing in placing investments in the plan. From these new reproduction opportunities are derived, first and foremost, our greater economic expectations and the much higher demands that are made on the basic assets economy.

Modernizing of Existing Equipment

(1) First, we take it for a fact that existing machines and installations properly modernized can greatly increase our labor productivity. New advances in efficiency thus require an optimum rationalization of existing equipment. This orientation is based on the objective fact that in the intensification process simple reproduction increasingly becomes a source for expanded reproduction.⁴

Recent international comparisons clearly show that in capitalist countries in recent years, through modernization, for example, the performance level of machine tools in use was raised and their working life was extended. In Japan, firms are specializing in equipping available machine tools with modern controls *ex post facto* and with other means of rationalization, including industrial robots. Among other things, the Shoun Engineering Company has thus far modernized more than 1,000 machines of the Toyoto Industrial Corporation. An example of corporations that have specialized in retrofitting conventional machine tools is Rico Denahi with a special program that provides existing machines at this later stage with computer numeric control convenience.⁵

In particular, such international assessments point out that the briefer life cycles of the products to be sold normally make it impossible for the corporations to react through new investment decisions and full replacement of already amortized installations. Between 70 and 80 percent of the machine tools now in use in the world have already been in use for 10 and more years. More and more frequently one runs into the demand the efficiency of existing machines should be enhanced by their now being equipped with numerical controls and loading and unloading devices and into the problems of having old and very new machines operationally fit together. Along with the latest automation equipment, therefore,

one finds machines that are 10 years old or older in operation that have deliberately not been replaced though their linkage, i.e., the logistics in their processes, has been much simplified and accelerated.⁶ The slogan, "doing the old thing in a new fashion," where, e.g., existing aggregates and means of transportation are more moderated in their energy consumption through new engines, is considered the up-to-date innovation principle, after simple possibilities to economize had previously been largely exhausted. This phase of innovation of existing processes is ongoing on an increasing scale since technical solutions for it exist.⁷

Systematically developing this way or similarly the simple reproduction into a source of expanded reproduction, therefore, is not only a possibility but a necessity under prevailing and future conditions. What we need for it, however, are more deliberations and ideas than before, so that actually the latest scientific-technical data are used in a targeted manner for the modernization of machines and installations, including their general repairs. We absolutely have to bring it about that with an increasing working life of the machines vis-a-vis new equipment, productivity will not drop but go up, moral wear and tear is countered, and eventually an extension of the standard working life becomes possible by raising performance and efficiency levels. The course toward modernization in GDR industry for the conversion machinery in use, taken by the Herbert Warnke Conversion Technology Combine can serve as a model. The idea here is that simple reproduction cannot mean merely preserving what one has but must also always include improving the effectiveness of the existing equipment.

High Productivity With a Long Working Life

These possibilities of our scientific-technical progress underscore that it would be irresponsible, in view of the significant potential of our basic assets, to mean to solve the replacement processes by means of a progressively increased discarding of old equipment. Comrade Erich Honecker ruled out handling the discard quota routinely as long as there is the possibility to reach important effects through low-cost modernization.⁸ Any excessive discarding would be illusory also due to the foreign economy conditions and investment opportunities as such. Furthermore, merely a larger simple replacement would be vastly inadequate when we turn from extensive to intensive basic assets reproduction. One very essential starting point for better drawing simple into expanded reproduction would be to use the means of rationalization allocated in the plan truly for a continual renovation, modernization and reconstruction and radically avoid any attempt at using them for any extensive expansion. This is where the true cause lies for many an unresolved problem in the renovation and modernization of available equipment thus far. Combining the preservation of what we have with higher productivity and efficiency is now one of the most important intensification requirements. It is from this vantage point that the work on intensification conceptions has to be rechecked and refined in particular.

(2) Second, the timely use of the basic assets continues to be among the crucial productivity reserves and most important political-ideological tasks in raising the performance and efficiency of the basic assets. How seriously we have to deal with these matters becomes apparent by that in industry the basic capital goods per working person nearly doubled in 1980 compared with 1970.

Greatly Improved Use in Time

That now comes to circa M 100,000. Even this doubling within the last 10 years indicates how much of a growing economic importance has to be attached, especially, to the live labor in the process of intensive basic assets utilization. What matters, as Comrade Guenter Mittag put it, is to make the available production apparatus economically more effective also through our skilled labor.⁹

For important production equipment our economy in 1980 spent an average of 15 hours per calendar day, but in 1985 we have to get to 16 or 17 hours. Yet there still is a lot of equipment in industry which is still being used below the 1980 average. That partly includes numerical control machines and industrial robots.

Such level differences, normally unjustifiable, give rise in particular to the following inferences:

--Our most productive machines and technologies, which in particular include numerical control machines and industrial robots, and of which we properly expect the highest efficiency, mainly require an appropriate technological and organizational environment that fully meets the demands for long-time utilization. It is not enough to consider these complex operational conditions merely a reserve that is to be tapped in the future. Such complex demands have to be conceived and used from the outset, otherwise we would base the plan on much too low an efficiency level and waste our efficiency.

--Great efforts are necessary to reduce rigorously the causes for unscheduled standstill. That concerns in particular technically conditioned downtime and breakdown, amounting in part to 40 percent, and downtime resulting from labor shortage, the share of which is circa 33 percent. Those are the two crucial bottlenecks. Also the time lost due to ancillary supplies, a proportion of approximately 10 percent, still is excessive.

--Much more must still be done in adequately preparing, technologically and in terms of labor organization, the intended cutback in jobs. That is one of the essential experiences in applying the Schwedt Initiative to other industrial branches, and it requires especially prepared long-term rationalization conceptions. In particular, the labor cutback of partly 1.1 manpower per robot has to be increased to an average of 2.5. This matter is of extreme importance, not only for our manpower potential but also with respect to the overall efficiency through using robots. According to initial experiences, a productive reassignment of manpower can, after all, come to 80 percent of the total continuous benefit.

(3) Third, the results of a more rational and efficient use of the basic assets must lead to clearly ascertainable advances in basic assets and investment efficiency. The plan here relies on basic improvements for the parameters both of basic assets and investment efficiency, because it is these two parameters on which the planned labor productivity boost in the current five-year plan essentially is predicated. The plan is to bring about a change in trend in the basic assets quota, i.e., the production outcome per M 1,000 of basic assets, and achieve another rate of industrial growth by 1985. But if one examines who

mainly works with these parameters in the enterprises and combines, it often seems that they are of concern to a few specialists only. With their importance to boosting labor productivity, however, they are among the essential criteria that have to be the focal point when intensification conceptions are discussed.

Advances in the Cost and Benefit of Investments

Given the high allocation in funds, one-fourth of the scheduled labor productivity boost at least depends on attaining the planned basic assets quota in the current five-year plan. That quota is greatly affected by our investment efficiency, i.e. production growth per M 1,000 in investments. Our investment strategy in our rationalization and the most economical use of investments therefore aims at making a still greater contribution through available investments to improving the efficiency of basic assets than in the past. For that it is necessary to achieve a clearly higher efficiency level through the investments vis-a-vis the basic assets in current production. It means raising the investment efficiency faster than the basic assets quota. At present the investment efficiency is lower.

Especially of the investments we expect that they embody our progress and the at this time highest attainable level of our basic assets economy. Therefore our investment efficiency is meant to increase by 126 percent over the 1976-1980 level. Intensive basic assets reproduction hence is marked by our significantly improving by means of rationalization the ratio of long-term in favor of short-term investment effects, and that the volume of equipment is clearly improved in comparison with the construction share.

FOOTNOTES

1. Comrade Erich Honecker, "Aus dem Bericht des Politbueros an die 3. Tagung des ZK der SED" (From the Politburo Report to the Third SED Central Committee Session), Dietz publishing house, Berlin, 1981, p 36.
2. Guenter Mittag, "Full Steam Ahead Toward the 10th Party Congress--Speech at the Third GDR People's Chamber Session," NEUES DEUTSCHLAND, 4 December 1981, p 6.
3. "Energy Inflation Gains Great Significance as Investment Motive," IFO-SCHNELLDIENST, No 13, 1981, pp 3 ff.
4. Cf. also H.-J. Beyer, "Intensification and Simple Reproduction," DIE WIRTSCHAFT, No 19, 1981, p 21.
5. "Automation Brings Progress to Japan," VDI-NACHRICHTEN, No 10, 1981, p 18.
6. "Japan in the International Competition and as a Trade Partner," RATIONALISIERUNG, No 8, 1981, p 177.
7. "Developmental Prospects for the 1980's--Altered Framework Conditions for Machine Building," WERKSTATT UND BETRIEB, No 1, 1981, p 1.
8. Comrade Erich Honecker, op. cit., p 36.
9. Guenter Mittag, op. cit., p 6.

Decree Restricts Investments, Imports

East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German Part I
No 32, 16 Nov 81 pp 375-376

[Official text of "Third Decree on the Preparation of Investments of 30 October 1981," signed by Willi Stoph, chairman, GDR Council of Ministers, East Berlin]

[Text] In amending the decree of 13 July 1978 on the preparation of investments (GBL, Part I No 23 p 251) in the version of the second decree of 12 December 1979 (GBL, Part I, 1960, No 1 p 15), the following is decreed:

Article 1

Article 2 section 2 sentence 1 is given the following version:

"(2) The investments are principally to be used for the rationalization and renewal of the basic assets and to be aimed in this particularly at an efficient utilization and modernization of the existing basic assets at a high scientific-technical level."

Article 2

Article 3 section 6 is given the following version:

"(6) Those who place investments have to draw into the elaboration of proper requirements the competent enterprises and project management facilities of the investment goods industry and the construction industry. Those enterprises are obligated to take part in the preparation of realistic technical and economic lead assignments in preparation of projects. The data to be transmitted, if necessary with variables and tolerances, have to conform with scientific-technical top standards at the time investments go into effect and with the criteria for maximum efficiency. In particular, they must be prepared on the basis of confirmed norms as well as of offered projects and recyclable project solutions. The data are binding on the participating enterprises and project management facilities. Economic contracts are to be drawn up on their participation."

Article 3

(1) In article 3 is inserted as its section 7:

"(7) Imports are to be provided for only when other solutions do not offer themselves. They must be based on the principles of strict thrift and economical utilization. He who places the investments has to draw the competent foreign trade enterprises into the preparation of the requirement. The foreign trade enterprises through taking part in this have to make sure that the requirement can be based on realistic import conditions, including the import expenditure. Before applying for an import license and signing the import contract, the economic need has to be checked once again in line with legal provisions."

(2) The previous section 7 becomes section 8 in article 3.

Article 4

Article 4 section 1 is given the following version:

"(1) The substance and scope of the requirement are to be established by the one who places the investment in conformity with the specifics in the investment project and the diverse requirements resulting from renewed investments, particularly to modernize existing basic assets, and from expansion and new construction investments, and they have to be correlated with the most important recipients of the order."

Article 5

Article 10 section 1 is given the following version:

"(1) To accelerate socialist rationalization and modernizing existing basic assets, the confirmation of the requirement can be made as a decision of principle for

- investment measures and investment projects essentially concerned with equipment, where the proportion of construction efforts does not exceed 10 percent of the investment expenditure, with a maximum of M 0.5 million. The requirement has to be supplemented by an intrinsic use computation or--if the benefit is not quantifiable--by a cost assessment; and
- renewal investments when, through the use of project offers and recyclable project solutions and of mandatory standards and parameters and through setting down binding price quotations, in accordance with article 8, the investment expenditure can be confirmed with a high degree of certainty as the upper cost limit as well as other important technical-economic parameters and the preparation does not proceed in terms of partial projects as of section 5.

Local authority has to be obtained to the extent that is required in terms of legal provisions."

Article 6

Article 10 section 7 is given the following version:

"(7) In the process of preparing a decision of principle, with the previous agreement from the one who places the investment and on his risk,

- equipment and materials that for technical reasons take long to produce or require long delivery time frames may be ordered when the status of preparation makes possible an unequivocal determination of the technical-economic parameters; and
- implementation projects may be worked out if there is a binding price quotation in accordance with article 8 and the technical-economic objectives anticipated by the confirmed requirement can be attained or improved. If the confirmation of the requirement is made as a decision of principle, in terms of section 1, a previous project production planning is not authorized."

Article 7

This decree goes into effect when promulgated.

GERMAN DEMOCRATIC REPUBLIC

ASPECTS OF SECONDARY RAW MATERIAL EXPLOITATION DISCUSSED

East Berlin PRESSE-INFORMATIONEN in German No 128, 5 Nov 81 pp 2-4

[Special edition prepared by Press Office, Chairman, GDR Council of Ministers, in cooperation with Ministry for Materials Management, Ministry for Ore Mining, Metallurgy and Potash as well as other government and economic organs: "Answers to Questions on Secondary Raw Material Management"]

[Excerpt] What Importance Do Secondary Raw Materials Have in Our Raw Material Balance?

They have the same importance as the primary raw materials which themselves embody a high degree of skilled labor. Circa 450 different secondary raw materials and industrial waste-products are available in the GDR economy. They are combustion residues, dust and molten residues, silicate and mineral waste-products, scrap, glass and ceramic byproducts, synthetic, elastic and resinic residues, textile and leather waste-products, mud and saliferous waste-products and liquid waste-products. They embody a considerable raw material resource and are an important asset to the raw material balance of our economy. The energy and raw material resources our country has remain what they are or grow but slowly over long range. This we have to take account of. We are increasing our raw material and fuel supplies, including our secondary raw materials, with great determination. So here also applies the goal of our economic strategy, formulated by Erich Honecker at the 10th SED Congress, "to make much better economic use still of our raw materials and fuels."

In years past a constantly growing proportion of our economic raw material requirements was derived from an ever better utilization of secondary raw materials and waste-products. That amounts at present to approximately 10 percent of our raw material requirements, not counting crop products. And here we make use of circa 30 percent of the total of such raw materials. The remaining 70 percent contains potential reserves which we can and must exploit in years to come.

The proportion of raw material in metallurgy covered by scrap lies between 70 and 75 percent for steel, around 37 percent for copper, around 45 percent for lead and around 20 percent for zinc. For steel production there is no more effective and cheaper raw material than scrap, 1,000 tons of steel scrap making up for almost twice that much in imported ore and circa 500 tons of imported coke. The

energy expense drops, when compared with the use of iron ore, from 4,000 to 1,500 kilowatt hours per ton. Costs come to around one-third. It is similar in the use of other secondary raw materials in metal.

The paper industry extracts up to 47 percent of its raw material requirements from old paper. Circa 70 percent of the requirements of the bottling industry is now covered by the reuse of 650 million bottles and jars annually. Along with the considerable savings in raw material and energy there come remarkable economic savings in manpower and investments which would otherwise be needed for creating production capacities. Roughly one-fifth of lubricant requirements is covered by the recycling of old oil.

These traditional secondary raw materials like scrap, old paper, bottles and jars, old textiles, old oil and others have a stable position in our raw material supply. New activities must extend it further in the years ahead. But a greater use made of many other secondary raw material resources available in our economy has proven of no mean importance for our raw material supply and efficiency improvement. That applies, e.g., to thermoplastic byproducts, wood chips, spent sulphite, secondary silver, ash, slag and many others.

The plan is to raise the exploitation and utilization of secondary raw materials by from 128 to 130 percent between 1981 and 1985. That suggests the criteria that will determine the performance boost in the utilization of secondary raw material resources in the years ahead. Due to the altered starting position for economic growth, secondary raw materials and waste-products will have to be used at an unprecedented rate in the course of the five-year plan. Thanks to them, the requirements for economically important raw materials, not counting crop products, are to be met by a reduction of at least around 12 percent up to 1985. This then, as the 10th party congress has established, amounts to a maximum recycling of secondary raw materials and waste-products.

What Advantages Do Secondary Raw Materials Have Over Primary Raw Materials?

Among the ways that lead to an improved materials economy, the rational extraction, processing and utilization of secondary raw materials occupies an important spot. That is not principally the outcome of raw material shortage, let alone of a "poor people's policy," but is given birth by economic reason. Waste and residue recycling from production and consumption provides for a number of perceptible economic advantages when compared with primary raw materials.

Secondary raw materials increasingly show up as a source for our own raw material production and facilitate absolute and relative reductions in raw material and material imports. The importance of the secondary raw materials industry to us becomes evident through the example of copper. To produce a ton of copper at the VEB Wilhelm Pieck Mansfeld Combine, 50 times as much in cupreous rock has to be extracted. The annually recycled and processed volume of copper scrap saves us an extraction of 2.6 million tons of cupreous rock per year. Or consider that a liter of fixing bath solution thoughtlessly poured out normally contains between 3 and 4 gram of silver. The VE Secondary Raw Material Utilization Combine intends to recover from it circa one ton of silver for our economy this year. A treasure in the truest sense of the word.

Furthermore, the use of secondary raw materials often constitutes an energy economy factor of the first rank. Broken glass instead of the silicate raw materials requires of the glass industry only approximately one-tenth of the energy investment for re-fusing. Any ton of broken glass remaining unused thus amounts to an energy loss in magnitude. Waste and residue recycling moreover saves public investments for their harmless return to the natural environment. That includes efforts in decontamination, transportation costs, deposit fees and so forth.

The utilization of secondary raw materials thus constitutes a chief route of using material economically. It reduces the material intensity of production. Whole production stages can be omitted in the production of end products. That normally makes it possible to diminish the total expenditure for live and embodied labor.

Primary mineral raw material resources are diminishing everywhere. They are, as one knows, not reproducible. Many raw materials are becoming increasingly short and can still be had only with difficulty or not at all. Their exploration, extraction and processing are becoming more and more expensive. That also is of weight economically and the point of departure for creating raw material cycles. Even today the use of secondary raw materials already is cheaper most of the time than that of primary raw materials.

Wise Management of Secondary Raw Materials Benefits Every Enterprise and the Whole Economy

Wisely managed enterprises have always been marked by their correctly using what they have. That applies in particular to production consumption, the reduction of which has a direct effect on increasing our national income and is thus of great weight to our carrying on our tested policy in its unity of economic and social welfare management.

Secondary raw materials are domestic and widely available resources that are already above ground. The advantage in their extraction and use increases to the extent that the expense increases for primary raw materials and for the protection of our natural environment. And more than that: in many areas of the economy, material supply, in view of the worldwide shortages and the price hikes for raw materials, is no longer conceivable without an optimum utilization of secondary raw materials.

What has already once been extracted--let us only take steel scrap--need no longer be mined as ore but only be reprocessed. Of course, that is not possible without expense either and sometimes even gives rise to problems we have not yet come to grips with. Practice has sufficiently proven that for investments in raw material production and processing from secondary raw materials, per unit of raw material growth, not even half as much of an expenditure is required as with respect to primary raw materials.

Many examples, furthermore, illustrate that the production effort itself is much smaller. Steel production from scrap costs circa one-third of the same from ore. Shortages and price increases in fibrous wood permit but limited increases in

the production of traditional primary fibrous materials such as cellulose and wood pulp for paper production. Material costs through the recycling of paper come to circa only between 30 and 40 percent of that in the use of primary fibrous materials.

Another advantage is a big saving in energy. When steel scrap is used the energy consumption, as compared with iron ore, drops at a ratio of 4 to 1.5. For 100 million recycled bottles and jars we save, when compared with new production, 80,000 tons of coal, 18 million kilowatt hours of electrical energy, and 76 million cubic meters of gas, not even counting the savings of 10,000 tons of soda and 30,000 tons of glass sand. Great advantages are also derived from the use of broken glass. The use of thermoplastic wastes reduces the energy consumption by 15 percent.

The construction and construction materials industry derives up to between 8 and 10 percent of its raw materials requirements from secondary raw materials. Much slag in metallurgy is used as cement admixture or the production of light admixtures. With it, e.g., the use of copper tube melting slag as admixture in cement production saves limestone, loam and energy while reducing prime costs by 8.6 percent per ton of cement.

Hence there are many examples that can demonstrate the economic advantages of using secondary raw materials. They show these benefits for every enterprise and the whole economy. When one uses and recycles secondary raw materials one not only eases our raw material balance but also helps improve our capacity. Then one makes an important contribution to our intensification and efficiency boosts.

Uncover and Effectively Use More Secondary Raw Materials

A comprehensive utilization of secondary raw materials available is to make an increasing contribution to meeting the raw material requirements of our economy, as the 10th SED Congress directive demands. It is a matter of ensuring an economic use of all available resources. It calls for uncovering far more secondary raw materials, in particular. Recently the palette has broadened visibly. Along with ferrous and nonferrous metal scrap, old paper, old oil, bottles and jars, old textiles and bones, now there also are electronic scrap, used-up film materials and fixing baths, grease slush and fatty waste-products, fireproof material, corundum grains, sulphite waste liquor, synthetic and elastic residues and many other waste-products that are gaining increasing importance. From 22 million tons in 1980, the volume of recycled secondary raw material is to reach 29 to 30 million tons by 1985.

That calls for an industrialized approach to all matters of the secondary raw materials industry. With the two combines in metal reprocessing and secondary raw material utilization, a special industrial branch is emerging, as it were. Its task is to reprocess secondary raw materials in such a way that the intrinsic values of these raw materials, being so very important for our economy, are not only preserved but possibly even increased. At the same time, each combine and each enterprise bears itself a high responsibility for the utilization of secondary raw materials. Our economy observes as a principle that he who causes waste products is fully responsible for their further utilization.

Even in the uncovering of secondary raw materials what counts are methods to largely reduce the upgrading efforts. One way in which everyone can contribute to it lies in sorting out what is handed over--be it newsprint or wrapping paper from households or scrap from the enterprises. Also well prepared deliveries from dumping depots or from enterprises to the reprocessing centers of both combines are part of the effort. In many cases even a direct, which means the most efficient, way of handing wastes over from where they occur to the reprocessing plant is possible. That diminishes costly transportation, transshipment and storage processes.

As raw material suppliers the combines of the secondary raw materials industry have a great responsibility to supplying the processing industry proper as to schedules, qualities and assortments. In some raw materials they have to ensure half, in some places even the overwhelming part, of supplies for the economy.

Old paper, apart from direct deliveries to the paper industry, is collected in the various VEB secondary raw material uncovering centers and compacted into 500-kilogram bales by high-efficiency presses. That way it is shipped to the paper industry, from Berlin to Schwedt, e.g., and that is of higher energy economy than by way of inland navigation. Furthermore none but such large bales make possible forming volumes for an optimum utilization of storage areas available. The specific transportation effort also is reduced, transportation capacities are more fully used, and a uniform loading and unloading technique can be employed.

In contrast to the steadily ongoing reception of bottles by the beverage industry, reusable jars are greatly needed on a seasonable basis by the fruit and vegetable processing industry. That demands of the uncovering enterprises to adapt to these conditions and store and transport jars purposefully in palettes. A considerable manual effort is still connected with that. Rational procedures require for the future a palette technique coordinated with the consumer industry. For that there are already palette installations in operation in the VEB Secondary Raw Materials Utilization Berlin and Halle, which have to be further developed.

Efficient utilization finally also makes a high demand on industry. In the paper and cardboard industry, where old paper already makes up 47 percent of the raw material supply, scientific-technical work, new technologies, have created the premises for it. An example is the output of AROS paper for tickets, cashier's notebooks and similar items completely from old paper. Furthermore, in the treatment of wood in the paper industry we can already partly make use technologically of the leaching process that goes with it. From 2.5 percent each of the leaching, crude alcohol and food yeasts are distilled. Energy use also has been found useful in the VEB Rosenthal Cellulose Plant, for each ton of sulphite waste liquor has a heating capacity of circa 650 kilograms of softcoal briquettes.

What Is the Contribution of Science and Technology to Improved Utilization of Secondary Raw Materials?

As science and technology hold a key position today for the economic strategy of the 1980's, that also fully applies to the industrial branches of the secondary raw materials industry. Higher achievements through less investment can only come

by way of intensification from socialist rationalization. Comprehensive tasks for it, more than 300, are set down in the overall economic science and technology plans up to 1985.

Refined metallurgy, meaning more and better products from the same amount of raw material, is not only up to the producers but to the raw material suppliers as well. One of the most important ones is the VEB Metal Processing Combine with its open-pit miners, as scrap holds a proportion of up to 75 percent in the steel production, of 37 percent in copper production, and of 45 percent in lead production.

For years it had been complicated to reprocess large-perimeter old cables, for instance. The elimination of their plastic sheathing was possible only through burning them off, which was expensive. The realization that plastic materials become brittle at temperatures below 60 degree Celsius and can easily be knocked off led to a new technology, the cryo-technique, which is now successfully being used in the Liebenwalde plant. This amounts to a scientific-technical peak performance developed in the combine.

Recovering valuable scrap components with rare metal content most of the time still causes great problems. Any household refrigerator, e.g., has approximately 100 grams of copper in the form of capillary tubing. Zinc is found as alloy component or tin solder in many devices. Silver and gold are used in many electrical and electronic devices, in plugs, for instance. For this reason the decomposition of such scrap is of extraordinary economic importance. On behalf of keeping expenses low, this can however not be done haphazardly but calls for well considered technologies. Some were created in the metal reprocessing combine within the framework of the science and technology plan, e.g., for decomposing electronic scrap. They are being used in operations.

A wise raw materials economy today already expects of the designer that he will take rational recovery into account. The recycling research institute of the GDR Academy of Sciences, e.g., has developed a procedure for reprocessing domestic feldspar sand with a small proportion of feldspar at complex use. That has yielded a raw material with a high feldspar proportion for the glass and ceramics industry as well as with a low concentration for porcelain and quartz sand for foundries and an illit sludge for architectural ceramics. The so-called by-products here bring in nearly half of the profits in overall production.

Many other examples could be adduced. Thermoplastic waste, e.g., can be reused, after being broken up, as regranulate. But here one must be sure to sort things out painstakingly, and this applies also more and more to households. In years past such recycling and reprocessing was not possible, or possible only to a small extent. Plastic residue like bottle cases, canisters and barrels ended up on the dumping grounds of the large consumers. Shipping such bulky objects to reprocessing plants was found to be unprofitable. But in 1980, under the authority of the chemical advisory bureau of the Ministry for Chemical Industry the first mobile recycling plant was set up, a cutting granulator mounted on a truck trailer, produced in series in the machine building industry. Granulated, i.e. broken up fine, in situ, the waste-products, in sacks, get back to the synthetic processing plants.

For uncovering argentiferous fixers, we still have to transport considerable volumes of liquids to the reprocessing plant at present. The Freiberg Mining Academy is currently testing more effective procedures which can be carried out in situ. In 1982 they are expected to be given their first application and to help reduce expenses.

5885

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NYERS ON REFORM'S ACHIEVEMENTS, PERSPECTIVES

Budapest HETI VILAGGAZDASAG in Hungarian 19 Dec 81 pp 4, 5

[Interview with Rezso Nyers by Richard Hirschler: "A Rational Turning Outward"]

[Text] "What will exist in Hungary 5 or 10 years from now depends on what we do today, as soon as possible." Giving life to entrepreneurial activity and a swifter improvement of international competitiveness necessitates a better exploitation of the possibilities of the microsphere. This is what HETI VILAGGAZDASAG was told in an interview by 57-year-old Rezso Nyers, scientific adviser to the Economic Sciences Institute of the Hungarian Academy of Sciences.

[Question] At a session of the academy--held at the beginning of October--dealing with the development of the past 25 years, you said that improving international competitiveness was an urgent task. Why is this most important in Hungary now?

[Answer] As I emphasized at that conference, the pace and qualitative value of our economic and social development depend on a swifter and better balanced expansion of our foreign economic contacts; in other words, our participation in the international division of labor. A swifter development than at present without an external balance is just as impossible for us over the long run as the reverse. We can break out of our present distressed situation, caused by external conditions, only by improving the international competitiveness of production. In the first place the world economic changes have indirectly weakened the competitive position of our export; in the second place, maneuvering with imports is only a passive defensive weapon. In reality, and an improvement of it, can be our active weapon. Naturally, an expansion of the internal market is of crucial importance in the development of the economy also. In our given situation domestic use can increase to a greater degree only with an improvement in external competitiveness. Central economic guidance can contribute to all this not by a stressed treatment and encouragement of export but rather by an evermore general realization of the principle of economic efficiency, and thus of profitability. The task of central regulation in achieving the goal is actually a double one: to increase gradually the efficiency requirements and at the same time to broaden the entrepreneurial freedom for profitable undertakings, the practical operational possibilities, and to decrease the restrictions, perhaps overt but more likely hidden, holding back undertakings.

[Question] But many are afraid to dissolve the restrictions because they feel that the foreign trade balance, more or less restored with such difficulty, will again deteriorate.

[Answer] I would distinguish two phases in the process of restoring the balance, starting from the state of affairs in 1977 to 1978, when the external balance deteriorated the most. Different tools should be used in each phase. We are approaching the end of the first phase. What was characteristic of this phase was that central guidance tried to improve the balance primarily with macrostructural tools, encouraging export and moderating import demand by restraining growth in investment and consumption. These measures brought astounding success and proved that central guidance, if well used, can be an effective tool in periods of tension in the realization of important social goals. But the problems of a lasting balance, of lasting development, could not be solved in this way. Actually the structure of production changed only slowly in this period; there were good results in improving international competitiveness in a narrow area but by and large the results were modest.

The task of the second phase will be to lay the foundations for lasting development on a new growth course--giving life to entrepreneurial activity and a swifter improvement of international competitiveness. This will require increased exploitation of the microeconomic possibilities. We must improve the entrepreneurial readiness and possibilities of the enterprises, using fewer financial restrictions; aiding a freer combination of production factors, capital, labor and material expenditures; encouraging a renewal of the internal mechanisms; aiding a development of higher quality leaders in many places; and further broadening enterprise democracy.

[Question] But would new institutional forms be needed to broaden enterprise democracy?

[Answer] I see many possibilities for a substantive deepening of democracy within existing frameworks, but I also approve of a search for new forms. The essential thing is that under the current concrete conditions the economic democracy of the microsphere cannot be limited to worker democracy in the strict sense or to a democracy of the intellectual elite. The key to a solution of the problem is a new type of more active cooperation of the two. The close link of the workers and the economic intelligentsia in national politics is becoming commonplace but it is rather rare in everyday life. This link should not be limited to the exchange of warm greetings or respect for one another; it should mean something more in the joint execution of everyday economic tasks. The existing institutional forms--the production conferences, the socialist brigade movement--are appealing, but they will not be satisfactory with their traditional content. In the present and coming period greater emphasis will be given to defending the concrete interests of the workers; this will require a more precise clarification of interests. The trade unions will have a very great task in this. But something else is needed. In the interest of concrete economic goals we must develop appropriate organizational forms for cooperation between intellectuals and the workers at the enterprise and factory or even shop levels. In any case, a broad movement must be created; we must establish the most appropriate organizational forms.

Self-administration is justified where the role of the human factor is preponderant in the work process, where the processes are labor-intensive and not capital-intensive, and where much of the economic risk can be put on the worker collective. For example, the service sphere, labor-intensive commodity production and agriculture, based on a special relationship of man and nature, are this type. But in large industrial, transportation and commercial enterprises, where a large amount of capital accumulates, and in banks, where central financial funds and tools have a special role, social goals may be best realized with a distribution of economic risk and a partnership link between leaders and workers.

[Question] But is it not precisely at these larger enterprises where the situation is ripe for a separation of the ownership and entrepreneurial functions, which have been mixed together?

[Answer] The experiences of 30 years of practice bring up a critical rethinking of the correct relationship of these functions. The collectives of state enterprises cannot be the owners of the social capital entrusted to them because this would end the possibility of carrying out state measures aimed at using and regrouping capital in the interest of social goals. But the future will question the rationality of the current solution. Today the supervisory organ, the ministry, plays the ownership role. It is evident already that a single ministry, in its own circumscribed function, is not suitable for the mobilization and use of social capital, given the complexity of social goals. Only a number of state organizations together can express the state interests because the interests of industry, commerce and the bank must be represented as well as the viewpoints of the state budget and labor affairs.

In socialism, property becomes socialist with the condition that it is also social, so the given collective, or rather the worker interests represented on the social level, must participate in the exercise of the ownership functions. The rationality of such a solution would consist of the fact that ownership representation would be exercised not by a single state organ with official responsibility but rather by a representation of complex state-social interests. One form of this, for example, might be a supervisory committee in which representatives of the various interests participated but it might be a banking framework or a unique state organization. Ownership functions include an indication of the long-term use of social capital, the regrouping of capital, establishing and evaluating the use of social capital in the leadership of the enterprises, selecting the higher leaders of enterprises and entrusting them with leadership.

But it does not include saying what and how an enterprise should produce, in what markets it should sell, with whom it should cooperate, what technical solutions it should choose, how its internal organization should be set up or what wage policy and interest system should be developed within the enterprise. These are not ownership functions but entrepreneurial functions. Clearly these functions should be exercised jointly by the enterprise leadership and collective; the organization of the state with economic guidance rights, the supervisory ministry, could participate in this in its unique way. The essential thing is that in regard to the future we should courageously seek new methods and not try to approach this question one-sidedly on the ideological level alone, even if ideological factors are involved.

[Question] The enterprising spirit was dormant for decades. Are the small undertakings awakening this spirit?

[Answer] Yes, they represent positive possibilities, a significant step toward transforming the industrial structure and satisfying market demand. Even in the short run much profit can come from them, but they can develop fully, in their true activity, fitting in well with planned management only over a longer run, when they can find their final role. They represent one factor for economic efficiency, but naturally they do not take the place of large industry, large undertakings. Some overestimate their significance, but this is the lesser danger because facts refute illusions almost automatically. Much more dangerous are those who immediately oppose new efforts

as soon as they appear--and unfortunately this is an old tradition in Hungary--and try to hinder their realization, not openly in a democratic way but in a hidden way by intrigue. Antipathy toward the new has always been a brake on Hungarian progress and it has been transplanted into our society under a new name. But if we are talking about the enterprising spirit, its revival is not negligible in the large socialist organizations either; indeed it is even more important.

[Question] Thus far we have talked only about desirable changes in internal conditions. But there are external conditions too.

[Answer] We must consolidate the external contacts of the Hungarian economy. Our economy has tolerated badly the great market changes occurring recently from a forced situation, the shift of a critical part of trade to the nonsocialist sphere of the world market. More concretely, import possibilities in our CEMA contracts have narrowed and we suddenly had to find new acquisition sources in the West or the developing world. This process must be stopped. Of course this presumes more dynamic cooperation among the CEMA countries. If we succeed in stabilizing the ratio of our Western economic contacts, then we will be able to improve our competitiveness in those markets more quickly.

[Question] To what extent are the new phenomena hindering a revival of cooperation among CEMA countries?

[Answer] I would divide the new developments into three groups. First, extractive industry, the production of raw materials, has hit a bottleneck throughout CEMA, especially in the Soviet Union. There are economic and geographical causes for this--the location of resources in Siberia, higher costs and the need for greater investments. Economic planning causes play a role also, the economic planners did not notice in time the development of this bottleneck and the development of it was virtually accelerated by the given economic development methods. A quick solution cannot be expected because the capital needed for a swifter development of raw material and energy in use must gradually be ended. For the time being, the new situation deprives cooperation between the Soviet Union and the smaller CEMA countries of its dynamism.

The second factor is that the impetus for East-West cooperation has been broken, for various reasons, both political and economic. Contributing to this is the fact that the developed technology bought by the CEMA countries, largely in the 1970's, did not produce a profit in the short run. Really broad and efficient use of imported technologies is difficult to guarantee because of the reigning economic mechanisms. To a large extent these technologies have been used only in narrow areas and they have not repaid their investment. Certain unfavorable transitional phenomena are having an effect also; a number of socialist countries have imported agricultural products for dollars in such large amounts that this has taken assets away from the import of technology that would otherwise be desirable.

Since protectionist phenomena are strengthening on a slowly expanding world market, the processing industry export of the CEMA countries is developing with difficulty and indebtedness burdens have appeared. The smaller CEMA countries--finding themselves in a difficult situation--in order to improve their dollar balances do not

offer each other the products that can be sold best. Although they try to import from one another, the better part of their export is directed to the Soviet market or to the world market, in order to increase dollar profits. In the case of the smaller countries this has given birth to a unique phenomenon of disintegration.

Finally, the weight of the developing socialist countries has increased within CEMA. Thus, CEMA could not become, entirely, a tool for the realization of the integration ideas in the complex program.

[Question] Is there a way to turn around the unfavorable trend, and if so what would it be?

[Answer] In the new situation there are three linked but independently existing problems to be solved within CEMA: We must intensify bilateral cooperation between the Soviet Union and the smaller CEMA countries, we must reduce the production parallelism among the smaller CEMA countries by a greater interweaving of their processing industries, and we must expand cooperation between the more developed and less developed countries of CEMA. These three tasks define the direction of what must happen within or among the CEMA countries. The fourth, general task for all the CEMA countries is to improve their world market positions in such a way that the processing industry will catch up with the competitiveness of raw material production. This task involves the previous requirements also and it must be attended to. There is need for a rational diversion. Without this, the development of the mutual cooperation of the CEMA countries cannot be resolved.

[Question] The question arises: What connection do the economic tasks have with politics?

[Answer] If I understand you, you are curious about the extent to which the problems of the economy can be regarded as questions of general political significance. The quality, efficiency, competitiveness and social effect and reception of economic performance are not political questions only when and to the extent that they become involved with national politics itself. Economic progress, if it extends to the entire national economy, represents political success. Economic problems, beyond a certain degree, will become sources of political tension. So a rigid separation of the economy from politics is a great mistake, a fundamental error, and can lead to an incorrect judgment of economic questions from the political viewpoint, regarding them as of subordinate significance from the viewpoint of political power. Such a conception causes serious political harm, if not in the short run then in the longer run.

Dangerous also, is the other extreme, a conception that does not see the relative independence of the economy, that washes it away under the spell of ideological opposition, that conceives in a mechanical way the political determination of economic life. Representatives of this view forget that there is not only a global struggle between the two world systems. Every national economy and people wages separately its own economic-social struggle for its own prosperity. It is not possible to derive this sphere of action simply from the global goals and treat it in rigid subordination thereto. In other words, we must do something concretely and independently, there, today to solve our problems. Of course this should not obscure where we stand in the world-scale confrontation. Over the long run, neglecting independent economic-political action would only harm the world movement struggling for socialism.

[Question] Finally, how much time do we have to act?

[Answer] A favorable exploitation of the time factor is very important. In our contemporary society, because of the mutual social dependencies, we can regard the consolidation as a great victory, a gigantic achievement, because it gives us time, lays the foundations for uniting social forces to solve difficult tasks. But the dialectic contradiction in this is that supporting and maintaining this are possible only with further renewal, a further development of our action. What will exist in Hungary 5 or 10 years from now depends on what we do today, as soon as possible.

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BANK OFFICIAL DISCUSSES 1982 CREDIT POLICY

Budapest NEPSZABADSAG in Hungarian 20 Jan 82 p 10

[Article by Dr Rezso Palkovits, vice president of the Hungarian National Bank: "Credit Policy in 1982"]

[Text] The most important requirement placed on credit policy is that it promote--in accordance with the objectives of economic policy, and in harmony with the national economic plan and the system of regulation--transformation of the production structure, and thereby the intensification of the ability to generate income, and that it stimulate restoration of equilibrium, particularly in the external economy. In the areas of production and sales, and also in the area of accumulation, credit must aim to unfold, broadly and as successfully as possible, the processes of economic development that produce a qualitative change. In the interest of strengthening the processes that lead to an improvement of efficiency and profitability, respectively to cut back uneconomic production, it is necessary to reinforce the selective nature of credit policy and the influencing role of credit. The set of conditions for providing credit must be formulated in agreement with the system of regulation, in such a way as to increase the creditworthiness of the profitably operating enterprises and cooperatives, and thereby to ensure their dynamic growth. We will support also with credit preferences the stimulation of production and sales activity that serves to restore economic equilibrium.

Limited Possibilities

The government approved its 1982 credit-policy directive in agreement with the general objective and task of credit policy, as outlined above. Of the economic organizations' developmental efforts the bank will thus support primarily investment that serves to favorably transform the production structure, to build export capacities that help to restore external economic equilibrium, respectively to maintain or expand existing export capacities, to reduce the specific energy consumption and to save energy, to promote the utilization and reprocessing of waste and secondary raw materials, and to raise the level of the population's supply.

The possibilities for providing investment credit this year are limited. In accordance with the requirements of equilibrium, the volume of investment credit outstanding must be reduced by 2.0 billion forints, the difference between the 24.5 billion forints of scheduled repayment and a ceiling of 22.5 billion forints on new investment credit. Despite the narrowing possibilities, the appropriations for investment credit to expand export capacities will not be reduced, and separate allocations of

1.5 and 0.5 billion forints will be available for investments to rationalize energy consumption, respectively to process and reprocess waste and secondary raw materials. And if we take into account that these objectives often are combined with the expansion of export or import substitution, then the possibilities are much greater than the amounts specified in the separate allocations.

Strict Yardstick

The tasks that stem from the national economic plan, and the requirements of equilibrium have necessitated a further tightening of the conditions of economic activity and, accordingly, minor changes in certain elements and rates of the economic regulators. Minor change or modification of the set of conditions has become necessary also in credit policy. The conditions under which credit is provided had to be tightened primarily to keep investment activity within the objectives and limits of the plan.

In 1981, the profitability criteria that were a prerequisite for obtaining investment credit were increased 2 percentage points over their previous level. A wide circle of the enterprises applying for credit accepted the stricter criteria, and these criteria were met on most of the completed investments. The available profit data warranted a further tightening of the profitability criteria, and as of this year the required rates of profit on invested capital have been raised another percentage point. Depending on the category of economic activity to which the enterprise is assigned, the required profit rate is generally 15 percent, but it may be lower in the building materials industry, food industry and in the production of basic materials in general, as well as in the case of investments in domestic trade, transport and communications where the minimum profit rate is 11 percent a year, while in agriculture and in the service industries it is 9 percent a year.

Although the yardstick of profit on invested capital is stricter, the bank will continue to give preference to those investment proposals where the credit is repaid on schedule autonomously, from the development fund generated by the investment. According to our estimates, the requirement of autonomous repayment is met by those investments whose rate of return on invested capital is at least 23 to 25 percent a year.

So far as own resources are concerned, the requirement that economic organizations must finance from their own developmental resources at least 30 percent of their investments was abolished already in 1981. Although no minimum share has been set, the basic principle unalterably applies that credit may be provided only to supplement own resources. Thus the bank--taking into consideration the size of the enterprises' development funds and the extent to which these funds have already been committed--strives to attain the maximum feasible share of own resources. In view of the narrowing possibilities for obtaining credit, primarily the enterprises that assume a greater share of the cost of their investments--while meeting the other prescribed objectives and indicators--can expect approval of their credit applications.

Considering the development of the economic organizations' profits and the higher costs of ensuring sources of credit, it has become necessary to raise by 1.0 percentage point the interest rates on credit. In the case on investment credit, this means a maximum interest rate of 11 percent. The higher interest rates on investment credit apply not only to new credits, but also to the unpaid balance of credits

outstanding. The higher interest rates compel the enterprises to weigh their investment decisions more carefully, to plan and undertake investments that are truly effective and profitable.

Preferential Objectives

In addition to the changes in credit conditions outlined above, mention must be made of the credit objectives that are the most important for the national economy and therefore enjoy preferences. In the area of investments such preferential credit objectives are development projects that expand export capacity, implement the program for the rationalization of energy consumption, and promote the utilization and reprocessing of waste and secondary raw materials.

The preferences have remained unchanged in the case of investments for the expansion of export capacity or import substitution: the maximum term of the investment credit is 12 years--as compared with 10 years in general--and a refund of 33 percent of the interest paid may be claimed if the conditions specified in the credit contract are met. However, the conditions are somewhat stricter in the sense that the time during which the credit must be repaid from the net foreign-exchange yield is shorter: the construction time and repayment time jointly may not exceed 4 years, respectively 5 years for agricultural investments related to the development of meat production. In the case of newly approved investment credits this means that the period of repayment from net foreign-exchange earnings may be 3 years if the construction time is 1 year, but a maximum of 2 years if the construction time is 2 years. Any credit applications on less favorable terms will simply drop out from the competition for credit. These conditions have been made stricter to ensure that investments financed with such credit will be paid off already during the current plan period, with the surplus export of the new capacities.

Efficient and quick realization of development projects to rationalize energy consumption, respectively to promote the use and reprocessing of waste and secondary raw materials, is enhanced not only by separate credit allocations for these purposes, but also by credit terms and interest rates more favorable than in general. The interest refund that may be claimed on credits for investments to save energy and rationalize energy consumption is 33 percent; the credit term is at most 10 years if the investment cost is recovered within 5 years, and 12 years if the investment cost is recovered within 3 years. In the case of development projects to promote the reprocessing of waste, the enterprise may apply for a refund of 25 percent of the interest paid, if it has met the conditions.

Circulating-Capital Credit

The conditions of the system for providing circulating-capital credit have remained essentially unchanged. By providing short-term and intermediate-term credit for circulating capital, the bank unalterably wishes to ensure the uninterrupted financing of production and circulation, and to aid the smooth operation of creditworthy enterprises and cooperatives.

Another requirement placed on the system for providing circulating-capital credit is that it must compel the enterprises to maintain an optimal level of circulating capital, including inventories, and to reduce unnecessary inventories. Within the framework of the system for providing circulating-capital credit, therefore, it is

necessary to seek methods with which more influence can be exerted on the enterprises with regard to how they manage their circulating capital and inventories. The conditions for financing permanent increases in inventories have been made stricter. If an enterprise is forced to apply for credit because it lacks sufficient resources in its development fund to directly replenish its circulating-capital fund, due to a permanent increase of its inventories, the credit may not exceed 50 percent of the permanent rise in inventories. But as an incentive to enterprises that rapidly increase their export (by at least 15 percent), or which derive a substantial proportion (25 percent) of their earnings from export, the bank may extend circulating-capital credit for up to 70 percent of the permanent increase in inventories. To improve the management of inventories, the bank carefully audits the inventory management of the enterprises that import substantial quantities of materials and parts. By setting strict credit conditions, the bank encourages the enterprises to use imported materials and parts more economically.

1014

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SPECIAL CURRENCY EXCHANGE RATES PUBLISHED

Warsaw TRYBUNA LUDU in Polish 2-3 Jan 82 p 7

[Announcement by Stanislaw Majewski, president, Polish National Bank, Warsaw, dated January 1, 1982, of exchange rates in effect as of January 1, 1982]

[Text] Exchange Rates Table No 1/82

1. Foreign-Currency Exchange Rates in Zlotys for Countries in the 1st Payments Area [Socialist Countries]

1. Exchange Rates for Commercial Payments

	<u>Country</u>	<u>Curr Symb</u>	<u>Currency</u>	<u>Purchase</u>	<u>Sale</u>	<u>Average</u>
10	CEMA Countries	101	100 Transfer Rubles	6,766.00	6,834.00	6,800.00
20	Albania	315	100 Clearing Rubles	6,766.00	6,834.00	6,800.00
30	Korean PDR	319	100 Clearing Rubles	6,766.00	6,834.00	6,800.00
35	Laos	322	100 Clearing Rubles	6,766.00	6,834.00	6,800.00
40	Vietnam	320	100 Clearing Rubles	6,766.00	6,834.00	6,800.00

2. Exchange Rates for Noncommercial Payments

	<u>Country</u>	<u>Curr Symb</u>	<u>Currency</u>	<u>Foreign Exchange and Money</u>		
				<u>Purchase</u>	<u>Sale</u>	<u>Average</u>
	Albania	215	100 Leks	181.84	183.66	182.75
	Bulgaria	202	100 Leva	2,618.66	2,644.98	2,631.82
	Czechoslovakia	203	100 Koruny	230.44	232.76	231.60
	Korean PDR	219	100 Wons	1,057.19	1,067.81	1,062.50
	Cuba	208	100 Peso	1,730.05	1,747.43	1,738.74
	Mongolian PR	204	100 Tugriks	459.41	464.03	461.72
	GDR	205	100 Marks	720.13	727.37	723.75
	Romania	206	100 Lei	277.64	280.44	279.04
	Hungary	207	100 Forints	156.23	157.81	157.02
	Vietnam	210	100 Dongs	201.08	203.10	202.09
	USSR	201	100 Rubles	2,304.42	2,327.58	2,316.00

In the purchase of USSR Bank for Foreign Trade travelers' checks ~~in rubles~~, payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,444.80 zlotys for 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries in the 2nd Payments Area
[Capitalist Countries] [Money]

Country	Curr Symb	Currency	Money		
			Purchase	Sales	Average
Australia	781	1 Australian Dollar	89.07	92.71	90.89
Austria	786	100 Schillings	501.76	522.24	512.00
Belgium	791	100 Francs	209.62	218.18	213.90
Denmark	792	1 Kroner	10.93	11.37	11.15
Finland	780	1 Markka	18.03	18.77	18.40
France	793	1 Franc	13.96	14.54	14.25
Greece	724	100 Drachmas**	139.50	145.20	142.35
Spain	785	100 Pesetas	81.84	85.18	83.51
Holland	794	1 Florin	32.14	33.46	32.80
Japan	784	100 Yen	34.55	35.97	35.26
Yugoslavia	718	100 Dinars**	206.32	214.74	210.53
Canada	788	1 Dollar	65.95	68.65	67.30
Lebanon	752	1 Pound	17.04	17.74	17.39
Luxembourg	790	100 Francs	209.62	218.18	213.90
Norway	796	1 Kroner	13.36	13.90	13.63
Portugal	779	100 Escudos**	121.95	126.93	124.44
FRG	795	1 Mark	35.11	36.55	35.83
United States NA	787	1 Dollar	78.40	81.60	80.00
Switzerland	797	1 Franc	44.50	46.32	45.41
Sweden	798	1 Kroner	14.31	14.89	14.60
Turkey	627	100 Pounds**	65.40	68.06	66.73
Great Britain	789	1 Pound	150.42	156.56	153.49
Italy	799	100 Lira**	6.59	6.85	6.72

** In the purchase of money of the below-listed countries, the following exchange rates are applied:

Greece	724	100 Drachmas	127.10
Yugoslavia	718	100 Dinars	173.91
Portugal	779	100 Escudos	111.11
Turkey	627	100 Pounds	59.70
Italy	799	100 Lira	6.00

Foreign-Currency Exchange Rates in Zlotys for Countries in the 2nd Payments Area
[Capitalist Countries] [Foreign Exchange]

	Country	Curr Symb	Currency	Foreign Exchange		
				Purchase	Sale	Average
190	Saudi Arabia	771	1 Rial***	23.27	23.51	23.39
193	Australia	781	1 Australian Dollar	90.44	91.34	90.89
195	Austria	786	100 Schillings	509.44	514.56	512.00
200	Belgium	791	100 Francs	212.83	214.97	213.90
220	Denmark	792	1 Kroner	11.09	11.21	11.15
265	Egypt	639	1 Pound***	141.69	143.11	142.40
270	Finland	780	1 Markka	18.31	18.49	18.40
280	France	793	1 Franc	14.18	14.32	14.25
300	Greece	724	100 Drachmas	141.64	143.06	142.35
303	Spain	785	100 Pesetas	83.09	83.93	83.51
305	Holland	794	1 Florin	32.64	32.96	32.80
310	India	543	100 Rupees***	877.62	886.44	882.03
330	Iran	646	100 Rials***	86.80	87.68	87.24
335	Ireland	782	1 Pound***	122.20	123.42	122.81
340	Japan	784	100 Yen	35.08	35.44	35.26
350	Yugoslavia	718	100 Dinars	209.48	211.58	210.53
360	Canada	788	1 Canadian Dollar	66.96	67.64	67.30
390	Kuwait	770	1 Dinar***	281.33	284.15	282.74
400	Lebanon	752	1 Lebanese Pound	17.30	17.48	17.39
410	Libya	651	1 Dinar***	270.75	273.47	272.11
440	Luxembourg	790	100 Luxembourg Francs	212.83	214.97	213.90
450	Norway	796	1 Kroner	13.56	13.70	13.63
480	Portugal	779	100 Escudos	123.82	125.06	124.44
485	FRG	795	1 Mark	35.65	36.01	35.83
490	United States NA	787	1 Dollar*	79.60	80.40	80.00
495	Switzerland	797	1 Franc	45.18	45.64	45.41
497	Sweden	798	1 Kroner	14.53	14.67	14.60
500	Turkey	627	100 Turkish Pounds	66.40	67.06	66.73
510	Great Britain	789	1 Pound**	152.72	154.26	153.49
520	Italy	799	100 Lira	6.69	6.75	6.72

*Is binding also in clearing of accounts with the following countries: Bangladesh, Brazil, Egypt, Ecuador, Greece, Iran, Iceland, Cambodia, Colombia, Lebanon, Pakistan, Peru, Turkey.

**Is binding also in clearing of accounts with the following countries: Nepal, Pakistan.

***The Polish National Bank does not purchase money for this currency.

Foreign-Currency Exchange Rates Revised by Relative Value Rates of Currency in Zlotys

Country	Curr Symb	Currency	Foreign Exchange		
			Purchase	Sale	Average
Chinese PR	516	1 Swiss Clearing Franc	37.50	37.88	37.69
Egypt	639	1 Egyptian Pound	141.69	143.11	142.40
Egypt	539	1 Clearing Dollar	55.72	56.28	56.00
Iran	546	1 Clearing Dollar	63.68	64.32	64.00
Iran	646	100 Rials	86.80	87.68	87.24
Turkey	527	1 Clearing Dollar	69.25	69.95	69.60

Exchange Rates Table No 2/82

Warsaw TRYBUNA LUDU in Polish 11 Jan 82 p 7

[Announcement by Stanislaw Majewski, president, Polish National Bank, Warsaw, dated January 11, 1982, of exchange rates in effect as of January 11, 1982]

I. Foreign-currency exchange rates in zlotys for countries in the 1st payments area [socialist countries] for commercial and noncommercial payments given in Table No 1/82 remain unchanged.

In the purchase of USSR Bank for Foreign Trade travelers' checks in rubles, payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,529.20 zlotys for 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries in the 2nd Payments Area [Capitalist Countries] [Money]

Country	Curr Symb	Currency	Money		
			Purchase	Sale	Average
Australia	781	1 Australian Dollar	90.01	93.69	91.85
Austria	786	100 Schillings	489.92	509.92	499.92
Belgium	791	100 Francs	208.16	216.66	212.41
Denmark	792	1 Kroner	10.88	11.32	11.10
Finland	780	1 Markka	18.32	19.06	18.69
France	793	1 Franc	13.12	13.66	13.39
Greece	724	100 Drachmas*	138.31	143.95	141.13
Spain	785	100 Pesetas	82.04	85.38	83.71
Holland	794	1 Florin	32.27	33.59	32.93
Japan	784	100 Yens	36.31	37.79	37.05
Yugoslavia	718	100 Dinars*	197.19	205.23	201.21
Canada	788	1 Canadian Dollar	66.67	69.39	68.03
Lebanon	752	1 Pound	17.29	17.99	17.64
Luxembourg	790	100 Francs	208.16	216.66	212.41
Norway	796	1 Kroner	13.68	14.24	13.96
Portugal	779	100 Escudos*	119.72	124.60	122.16
FRG	795	1 Mark	35.30	36.74	36.02
United States NA	787	1 Dollar	78.98	82.20	80.59
Switzerland	797	1 Franc	44.34	46.16	45.25
Sweden	798	1 Kroner	14.35	14.93	14.64
Turkey	627	100 Pounds*	62.53	65.09	63.81
Great Britain	789	1 Pound	152.24	158.46	155.35
Italy	799	100 Lira*	6.64	6.92	6.78

*In the purchase of money of the below-listed countries, the following exchange rates are applied:

Greece	724	100 Drachmas	126.01
Yugoslavia	718	100 Dinars	179.66
Portugal	779	100 Escudos	111.93
Turkey	627	100 Pounds	56.97
Italy	799	100 Lira	6.06

Foreign-Currency Exchange Rates in Zlotys for Countries in the 2nd Payments Area
[Capitalist Countries] [Foreign Exchange]

Country	Curr Symb	Currency	Foreign Exchange		
			Purchase	Sale	Average
Saudi Arabia	771	1 Rial***	23.99	24.23	24.11
Australia	781	1 Australian Dollar	91.39	92.31	91.85
Austria	785	100 Schillings	497.42	502.42	499.92
Belgium	791	100 Francs	211.35	213.47	212.41
Denmark	792	1 Kroner	11.04	11.16	11.10
Finland	780	1 Markka	18.60	18.78	18.69
France	793	1 Franc	13.32	13.46	13.39
Greece	724	100 Drachmas	140.42	141.84	141.13
Spain	785	100 Pesetas	83.29	84.13	83.71
Holland	794	1 Florin	32.77	33.09	32.93
India	543	100 Rupees***	884.05	892.93	888.49
Ireland	782	1 Pound***	127.90	129.18	128.54
Japan	784	100 Yen	36.86	37.24	37.05
Yugoslavia	718	100 Dinars	200.20	202.22	201.21
Canada	788	1 Canadian Dollar	67.69	68.37	68.03
Kuwait	770	1 Dinar***	287.86	290.76	289.31
Lebanon	752	1 Lebanese Pound	17.55	17.73	17.64
Libya	651	1 Dinar***	272.73	275.47	274.10
Luxembourg	790	100 Luxembourg Francs	211.35	213.47	212.41
Norway	796	1 Kroner	13.89	14.03	13.96
Portugal	779	100 Escudos	121.55	122.77	122.16
FRG	795	1 Mark	35.84	36.20	36.02
United States NA	787	1 Dollar*	80.19	80.99	80.59
Switzerland	797	1 Franc	45.02	45.48	45.25
Sweden	798	1 Kroner	14.57	14.71	14.64
Turkey	627	100 Turkish Pounds	63.49	64.13	63.81
Great Britain	789	1 Pound*	154.57	156.13	155.35
Italy	799	100 Lira	6.75	6.81	6.78

*Is binding also in clearing of accounts with the following countries: Bangladesh, Brazil, Egypt, Ecuador, Greece, Iran, Iceland, Cambodia, Colombia, Lebanon, Pakistan, Peru, Turkey.

**Is binding also in clearing of accounts with the following countries: Nepal and Pakistan.

***The Polish National Bank does not purchase money for this currency.

Foreign-Currency Exchange Rates Revised by Relative Value Rates of Currency in Zlotys

Country	Curr Symb	Currency	Foreign Exchange		
			Purchase	Sale	Average
Chinese PR	516	1 Swiss Clearing Franc	37.37	37.75	37.56
Egypt	639	1 Egyptian Pound	142.72	144.16	143.44
Egypt	539	1 Clearing Dollar	56.13	56.69	56.41
Iran	546	1 Clearing Dollar	64.15	64.79	64.47
Iran	646	100 Rials	87.44	88.32	87.88
Turkey	527	1 Clearing Dollar	69.76	70.46	70.11

Exchange Rates Table No 3/82

Warsaw TRYBUNA LUDU in Polish 18 Jan 82 p 7

[Announcement by Stanislaw Majewski, president, Polish National Bank, Warsaw, dated January 18, 1982, of exchange rates in effect as of January 18, 1982]

I. Foreign-currency exchange rates in zlotys for countries in the 1st payments area [socialist countries] for commercial and noncommercial payments given in Table No 1/82 dated January 1, 1982, remain unchanged.

In the purchase of USSR Bank for Foreign Trade travelers' checks in rubles, payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,532.10 zlotys for 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries in the 2nd Payments Area [Capitalist Countries]

Country	Curr Symb	Currency	Foreign Exchange and Money				
			Purchase 4	Sale 5	Purchase 1	Sale 2	Average 6
Saudi Arabia	771	1 Rial***	23.62	23.86	-	-	23.74
Australia	781	1 Austral. Dollar	89.72	90.62	88.37	91.97	90.17
Austria	786	100 Schillings	498.89	503.91	491.37	511.43	501.40
Belgium	791	100 Francs	205.66	207.72	202.56	210.82	206.69
Denmark	792	1 Kroner	10.71	10.81	10.54	10.98	10.76
Finland	780	1 Markka	18.24	18.42	17.96	18.70	18.33
France	793	1 Franc	13.76	13.90	13.55	14.11	13.83
Greece	724	100 Drachmas	140.23	141.63	121.54	143.75	140.93
Spain	785	100 Pesetas	81.13	81.95	79.91	83.17	81.54
Holland	794	1 Florin	31.90	32.22	31.42	32.70	32.06
India	543	100 Rupees***	884.32	893.20	-	-	888.76
Ireland	782	1 Pound***	127.93	129.21	-	-	128.57
Japan	784	100 Yen	35.92	36.28	35.38	36.82	36.10
Yugoslavia	718	100 Dinars	170.65	172.37	147.91	174.94	171.51
Canada	788	1 Canad. Dollar	67.33	68.01	66.32	69.02	67.67
Kuwait	770	1 Dinar***	283.42	286.26	-	-	284.84
Lebanon	752	1 Lebanese Pound	17.15	17.33	16.90	17.58	17.24
Libya	651	1 Dinar***	272.82	275.56	-	-	274.19
Luxembourg	790	100 Luxemb. Francs	205.66	207.72	202.56	210.82	206.69
Norway	796	1 Kroner	13.78	13.92	13.57	14.13	13.85
Portugal	779	100 Escudos	120.70	121.92	104.61	123.74	121.31
FRG	795	1 Mark	34.99	35.35	34.47	35.87	35.17
United States	787	1 Dollar	80.21	81.01	79.00	82.22	80.61
Switzerland	797	1 Franc	43.01	43.45	42.37	44.09	43.23
Sweden	798	1 Kroner	14.26	14.40	14.04	14.62	14.33
Turkey	627	100 Turkish Pounds	61.70	62.32	53.48	63.25	62.01
Great Britain	789	1 Pound**	150.57	152.09	148.30	154.36	151.33
Italy	799	100 Lira	6.55	5.68	5.68	6.71	6.58

*Is binding also in clearing of accounts with the following countries: Bangladesh, Brazil, Ecuador, Greece, Iceland, Kampuchea, Colombia, Lebanon, Pakistan, Peru, Turkey.

**Is binding also in clearing of accounts with the following countries: Nepal, Pakistan.

***The Polish National Bank does not purchase money for this currency.

Exchange Rates Table No 4/82

Warsaw TRYBUNA LUDU in Polish 25 Jan 82 p 7

[Announcement by Stanislaw Nieckarz, for the president, Polish National Bank, dated January 25, 1982, of exchange rates in effect as of January 25, 1982]

I. Foreign-currency exchange rates in zlotys for countries in the 1st payments area [socialist countries] for commercial and noncommercial payments given in Table No 1/82 dated January 1, 1982, remain unchanged.

In the purchase of USSR Bank for Foreign Trade travelers' checks in rubles, payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,619.30 zlotys for 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries in the 2nd Payments Area [Capitalist Countries]

Country	Curr Symb	Currency	Foreign Exchange and Money				
			Purchase	Sale	Purchase	Sale	Average
Saudi Arabia	771	1 Rial***	23.62	23.86	-	-	23.74
Australia	781	1 Austral.Dollar	90.02	90.92	88.66	92.28	90.47
Austria	786	100 Schillings	498.98	504.00	491.46	511.52	501.49
Belgium	791	100 Francs	205.00	207.06	201.91	210.15	206.03
Denmark	792	1 Kroner	10.71	10.81	10.54	10.98	10.76
Finland	780	1 Markka	18.23	18.41	17.95	18.69	18.32
France	793	1 Franc	13.76	13.90	13.55	14.11	13.83
Greece	724	100 Drachmas	136.62	138.00	118.41	140.06	137.31
Spain	785	100 Pesetas	81.23	82.05	80.01	83.27	81.64
Holland	794	1 Florin	31.92	32.24	31.44	32.72	32.08
India	543	100 Rupees***	884.14	893.02	-	-	888.58
Ireland	782	1 Pound	123.68	124.92	-	-	124.30
Japan	784	100 Yen	35.87	36.23	35.33	36.77	36.05
Yugoslavia	718	100 Dinars	171.94	173.66	149.02	176.26	172.80
Canada	788	1 Canad.Dollar	67.57	68.25	66.55	69.27	67.91
Kuwait	770	1 Dinar***	285.05	287.91	-	-	286.48
Lebanon	752	1 Lebanese Pound	17.28	17.46	17.02	17.72	17.37
Libya	651	1 Dinar***	273.64	276.40	-	-	275.02
Luxembourg	790	100 Luxemb.Francis	205.00	207.06	201.91	210.15	206.03
Norway	796	1 Kroner	13.75	13.89	13.54	14.10	13.82
Portugal	779	100 Escudos	120.26	121.46	104.23	123.28	120.86
FRG	795	1 Mark	34.99	35.35	34.47	35.87	35.17
United States	787	1 Dollar*	80.81	81.63	79.60	82.84	81.22
Switzerland	797	1 Franc	43.46	43.90	42.81	44.55	43.68
Sweden	798	1 Kroner	14.29	14.43	14.07	14.65	14.36
Turkey	627	100 Turkish Pounds	58.65	59.23	50.83	60.12	58.94
Great Britain	789	1 Pound**	150.85	152.37	148.58	154.64	151.61
Italy	799	100 Lira	6.53	6.59	5.66	6.69	6.56

*Is binding also in clearing of accounts with the following countries: Bangladesh, Brazil, Ecuador, Greece, Iceland, Kampuchea, Colombia, Lebanon, Pakistan, Peru, Turkey.

**Is binding also in clearing of accounts with the following countries: Nepal, Pakistan.

***The Polish National Bank does not purchase money for this currency.

CSO: 2600/223

FEBRUARY SPECIAL CURRENCY RATES PUBLISHED

Warsaw TRYBUNA LUDU in Polish 1 Feb 82 p 7

[Table: Currency Rate Table No 5/82, effective 1 February 1982, issued by Stanislaw Majewski, Chairman of the Polish National Bank, in Warsaw on 1 February 1982]

[Text]L. The rates of exchange for foreign currencies in zlotys for countries of I (first) payments area [socialist countries] for commercial and non-commercial payments, as contained in currency rate table No 1/82 dated 1 January 1982, remain unchanged.

The rate of 11,673.70 zlotys per 100 rubles applies in buying ruble-based travellers' checks of the USSR foreign trade bank for payment outside the USSR in the currency of the country in which the exchange is made.

II. Foreign Exchange Currency Rates in Zlotys for Countries of II(Second) Payments Area [Capitalist Countries]

[Key] :

[See table on next page]

- | | |
|--------------------------------|----------------------------------|
| (a) Country | (9) India |
| (b) Currency symbol | (10) Ireland |
| (c) Currency | (11) Japan |
| (d) Foreign exchange and money | (12) Yugoslavia |
| (e) Purchase | (13) Canada |
| (f) Sell | (14) Kuwait |
| (g) Mean | (15) Lebanon |
| | (16) Libya |
| (1) Saudi Arabia | (17) Luxembourg |
| (2) Belgium | (18) Norway |
| (3) Denmark | (19) Portugal |
| (4) Finland | (20) Federal Republic of Germany |
| (5) France | (21) United States |
| (6) Greece | (22) Switzerland |
| (7) Spain | (23) Sweden |
| (8) Netherlands | (24) Turkey |

II. Foreign Exchange Currency Rates in Zlotys for Countries of II (Second) Payments Area [Capitalist Countries]

(a) KRAJ	(b) SYMB. WAL.	(c) WALUTA	(d) DEWIZY I PIENIĄDZE				
			KUPNO (e)	SPRZED. (f)	KUPNO (e)	SPRZED. (f)	BREDNI (g)
ARABIA SAUD. (1)	771	1 RIAL*** (27)	23,81	24,85	—	—	23,93
AUSTRALIA	781	1 DOLAR (28)	89,57	90,67	88,22	91,82	90,82
AUSTRIA	786	100 SZYLINGÓW (29)	485,85	500,83	487,59	507,69	497,54
BELGIA (2)	791	100 FRANKÓW (30)	204,54	206,56	201,42	209,64	205,53
DANIA (3)	792	1 KORONA (31)	10,82	10,72	10,46	10,83	10,67
FINLANDIA (4)	796	1 MARKA (32)	18,21	18,39	17,93	18,67	18,50
FRANCJA (5)	793	1 FRANK (33)	12,84	13,78	13,44	13,98	13,71
GRECJA (6)	724	100 DRACHM (34)	135,20	136,56	117,18	128,00	135,88
HISZPANIA (7)	785	100 PESET (35)	81,64	82,46	80,41	82,00	82,05
HOLANDIA (8)	794	1 FLOREN (36)	21,70	22,82	21,22	22,50	21,86
INDIE (9)	843	100 RUPII*** (37)	885,37	894,27	—	—	889,82
IRLANDIA (10)	782	1 FUNT*** (38)	122,20	122,42	—	—	122,81
JAPONIA (11)	784	100 YENÓW (39)	35,39	35,75	34,96	36,28	35,57
JUGOSŁAWIA (12)	718	100 DINARÓW (40)	189,85	171,53	147,22	174,11	170,70
KANADA (13)	788	1 DOLAR KAN. (41)	67,83	68,51	66,81	69,53	68,17
KUWEJT (14)	770	1 DINAR*** (42)	285,48	288,34	—	—	286,91
LIBAN (15)	752	1 FUNT LIB. (43)	17,38	17,54	17,10	17,80	17,48
LIBIA (16)	651	1 DINAR*** (44)	274,93	277,69	—	—	276,31
LUKSEMBURG (17)	790	100 FRANKÓW LUKS. (45)	204,54	206,56	201,42	209,64	205,53
NORWEGIA (18)	798	1 KORONA (46)	13,84	13,78	13,44	13,98	13,71
PORTUGALIA (19)	779	100 ESCUDO (47)	120,83	121,85	104,54	123,00	121,24
(20) REP. FED. NIEMIEC	795	1 MARKA (48)	34,75	35,09	34,22	35,82	34,92
(21) STANY ZJEDN. AP	787	1 DOLAR* (49)	81,19	82,01	79,97	82,23	81,60
SZWAJCARIA (22)	797	1 FRANK (50)	43,68	43,98	42,81	44,55	43,68
SZWECJA (23)	798	1 KORONA (51)	14,28	14,48	14,04	14,82	14,33
TURCJA (24)	827	100 FUNTÓW TUR. (52)	58,50	59,08	50,70	59,97	58,79
W. BRYTANIA (25)	789	1 FUNT** (53)	150,82	152,14	148,25	154,41	151,38
WŁOCHY (26)	799	100 LIRÓW (54)	6,50	6,58	6,83	6,88	6,53
IRAN	648	100 RIALÓW (55)	102,30	103,22	100,75	104,87	102,81

[Key (continued)]

(25) Great Britain	(35) Peseta	(46) Krone
(26) Italy	(36) Florin/Guilder	(47) Escudo
(27) Riyal	(37) Rupee***	(48) Deutschemark
(28) Dollar	(38) Pounds***	(49) Dollar*
(29) Shilling	(39) Yen	(50) Franc
(30) Franc	(40) Dinar	(51) Krona
(31) Krone	(41) Canadian dollars	(52) Turkish pound
(32) Mark	(42) Dinar***	(53) Pound**
(33) Franc	(43) Lebanese pound	(54) Lira
(34) Drachma	(44) Dinar***	(55) Rial
	(45) Luxembourg franc	

*Also applies in clearing of accounts with Bangladesh, Brazil, Ecuador, Greece, Iceland, Colombia, Lebanon, Pakistan, Peru, and Turkey.

** Also applies in clearing of accounts with Nepal and Pakistan.

***Polish National Bank does not buy money based on this currency.

10790

CSO: 2600/282

MINISTERS COMMENT ON PRICE CHANGES, ECONOMIC REFORM

Phase One of Reform Implemented

Warsaw TRYBUNA LUDU in Polish 8 Jan 82 pp 1, 2

[Article by Mieczyslaw Gajewski]

[Text] (TRYBUNA LUDU service) Neither the Military Council of National Salvation nor the government plans to depart from the initiation of comprehensive economic reform. The Council of Ministers resolution which presents the principles for the operation of the economy under martial law gives evidence of the fact that there is no question either of changing the reform principles adopted at the Ninth PZPR Congress, or of putting off reform until some future time.

Thus may be summarized the announcement made yesterday, 7 January 1982 by the government plenipotentiary concerning reform matters. Minister Wladyslaw Baka, in a meeting with reporters.

Prof Wladyslaw Baka alluded to numerous statements made by Gen Wojciech Jaruzelski which attest to the fact that he was and still is an ardent advocate of comprehensive economic reform. He cited examples from governmental practice confirming this desire.

A particular confirmation of this is the fact that the concepts which surfaced immediately following the declaration of martial law setting forth the idea that it is necessary to introduce a whole arsenal of directive-distribution measures to control the economy have met with no response. While the activity of self-governments has been suspended, this has been done mainly so that the role of the work force in managing the enterprise, a role stipulated in laws on the enterprise and self-government, which has been limited by the regulations of martial law, would not be disavowed. When martial law is withdrawn, these laws will be fully binding.

By the same token, full independence will be restored to those enterprises which have had some fields of operation and some functions associated with the implementation of operational programs curtailed due to militarization.

Of course there is the justifiable fear, as Professor Baka emphasized, that some will try to take advantage of the current conditions to restore directive-distribution practices, but the chief authorities, above all, are well aware of this danger, and such awareness is an important element of the use of such practices. The reform process has been initiated. Its progress may be followed on two fundamental planes. The eight draft laws which the government presented to the Sejm 4-8 December were upheld unchanged at a special meeting of the parliamentary subcommission held on 22 December (i.e., after martial law had already been declared). Work on the preparation of executory orders issuing from these laws continues.

The second plane is the adaptation of regulations contained in documents which usher in reform to the state of the martial economy. It is a difficult task to reconcile current management conditions with the intended image specified in the concept of reform. For the time being, however, we have managed to avoid basic clashes.

There also occurs the possibility of taking advantage of our present conditions to generally order the structure of the utilization of the country's available resources, the structure of industrial production and also the structure of the ties which issue from the international division of labor.

What has forced us into this is the shortage of raw and other materials, leading to the restriction or even the permanent abandonment of the production of many goods. There is a chance that present emergency actions will pan out in the future if the postulates of our research are used in a program of optimal structural changes.

We are entering the year 1982 with great plans, said the government plenipotentiary concerned with reform matters. The first stage of reform has been undertaken. These are actions which can act as a sound basis for reintegrating the work force.

Readers will find detailed information concerning the aforementioned issues in an interview with the governmental plenipotentiary concerning reform matters, Prof Wladyslaw Baka. We will publish this interview in a coming issue.

Price Changes Painful but Necessary

Warsaw TRYBUNA LUDU in Polish 8 Jan 82 pp 1, 2

[Interview with Wojciech Pruss, first vice chairman of the State Price Commission, by B. Jastrzebska; date and place not given]

[Text] This year will take its course under the banner of general price control. After the change made in procurement prices beginning 1 January 1982, retail prices are the next to follow.

True, free and controlled prices will be established for industrial articles and some services. Basic food articles and services of importance to living costs, on the other hand, will be priced at official prices. It is this particular

part of the operation which is of special interest to the public, although no governmental variant of price changes and compensation exists as yet.

We addressed several questions concerning the price changes which await us and the anticipated system of compensation to Dr Wojciech Pruss, first vice chairman of the State Price Commission [PKC].

[Question] In the current situation, how does the PKC plan to familiarize itself with public opinion concerning the price changes? Are you already in possession of such knowledge?

[Answer] We did not begin our research into public opinion on this subject yesterday: such studies have been done consecutively since last summer. Several times, the Polish Radio Public Opinion Research Center conducted these studies, asking such questions as: Who is in favor of the price increase and who is opposed to it, and how it should be introduced--at once or by stages?

Minister Krasinski, in conjunction with the efforts of the employees of the Poznan Higher School of Economics, did his own research. The Katowice branch of the Institute of Domestic Trade, which analyses the situation of 12,000 households is currently continuing its studies. Independently of this, we at the PKC have received and still continue to receive many letters from private individuals expressing their opinions on the subject of price changes and compensation.

[Question] Is it possible to state, then, that you have enough information on society's attitude to the anticipated price reform?

[Answer] We have a considerable amount of information. Without a doubt, we will know more when we receive the results of the studies now being conducted, which I noted above. They will be ready by the middle of the month. We continue to await letters, each of which we examine with care.

[Question] What conclusions do you draw from the materials and letters you have received, and from the results of consultations and surveys?

[Answer] It is still a few days too soon for me to give you a complete answer to this question. We have available the preliminary results. However, I can state with certainty that at present a considerable majority is in favor of the price change. If the very idea last summer aroused firm opposition, then at present a considerable majority of society is inclined to consider such a step necessary, if painful. On the other hand, on the compensation issue, the decided majority is in favor of differentiated compensation.

[Question] Which means?

[Answer] Significantly higher compensation for lower wage earners and lower compensation for higher wage earners.

[Question] In the letters we receive, many people are concerned as to whether it would be possible in general to compensate such a high price increase, particularly for the poorest families?

[Answer] There will always be the special sort of family situation, and the sort of income and expense structure which is evidence of the fact that compensation cannot completely bridge the gap caused by the price increase. However, I would like to point out that the entire idea of the intended operation to increase prices for food articles, fuel and power is tied in with compensation. But it is a question here of a concrete increase, and not of compensating the general increase in the cost of living brought about by the movement of the price of all other goods, mainly industrial goods, and services. Increased outlays for food, fuel and power, as you know, depend upon the level of consumption, and may vary among different families. We have adopted the rationing norm as the point of departure, or, in the case of unregulated consumer articles, the statistical average. As for meat, our guideline is the statistical rationing norm, but the norm for the better period of last summer, or 3.6 kg per person. You may ask whether this is not too little. But such is the reality. With regard to consumer articles, this is all that is available for purchase in state trade and this is the only part of the outlays we can compensate.

[Question] In the price reform draft, the variants for introducing new retail prices are proposed--all at once or by stages. In the light of your research, which idea is winning out at this time?

[Answer] We have not yet determined this question definitively. However, we do not believe that this operation should be dragged out excessively. Thus, if we were to decide in favor of a gradual solution, the periods between the particular stages should not be too long, and it would be better to make price changes for groups of items than to increase the prices for all articles little by little.

[Question] The final question. When may we expect the price change to take effect?

[Answer] We will continue to await opinions, recommendations and demands until 15 January. We encourage all to write to us at the PKC.

The earliest date to count on would be the beginning of February. But when this will actually happen I cannot say at present. We must use the time remaining to hear out opinions and to clarify the entire complex of the price and compensation reform system for the people. It is especially with regard to this last question that there are constant misunderstandings.

[Interviewee] Thank you. We shall return to this subject.

8536

CSO: 2600/198

BUDGET, INVESTMENT PLANNING FOR 1982 REPORTED

Economic Committee Meets on Investments

Warsaw TRYBUNA LUDU in Polish 22 Dec 81 pp 1, 2

[Text] Assessment of the situation in the country. Session of the Economic Committee of the Council of Ministers. From 1 January 1982--the second stage in increases in family allowances--Plant social activity. Plan for central investments--Fuel balance.

The Economic Committee deliberation on 21 December 1982, under the leadership of Vice-Premier Janusz Obdowski, completed an assessment of the current socio-economic situation. Implementation undertaken at previous sessions was assessed. The following determinations were also accepted:

--In accordance with the announcement of the Military Council of National Salvation, the second stage of family allowance increases is being introduced. This is an implementation of the required social agreements of September 1981. The amount of the increase in family allowances depends on the income of the family. Rates of allowances for families with an income of 2,000 zlotys per person will receive 350 zlotys for one child, 800 for two and 1,250 for three children. Allowances will also be increased for families with higher incomes, with the exception of incomes over 3,500 zlotys per person. Thus, the increased allowances will be paid apart from the compensations based on price increases. Special care allowances for children will increase to 1,000 zlotys, irrespective of family income. Other beneficial solutions are being introduced; among them, allowances will be paid for children attending boarding schools and studying vocational courses that last over 3 months.

--The Economic Committee of the Council of Ministers has ordered directors of enterprises and managers of plants to develop social activities at the plant level. This activity, to be financed from the plants' social and housing funds, will be maintained by the plant workers' services. These services will concentrate their efforts on raising the standard of efficiency in the plant food service, ensuring prophylactic and regenerative meals for persons working outside and organizing in the plants the sale of food, including meat and meat products. Special care should be provided for women employees, retirees and annuitants, especially those who find themselves living under difficult conditions. Among the important tasks these workers' services can ensure proper living conditions in the homes of the young worker and in boarding schools. Details concerning life-social activities will be published in the next few days.

--The Economic Committee of the Council of Ministers has determined a plan for central investments in 1982 based on real investment possibilities from a financial and material point of view. The Planning Commission at the Council of Ministers and interested ministers have made the fulfillment of concentrations of investment outlays obligatory in the food and energy-fuel complex. A detailed list of central investments will be designated in a resolution of the Council of Ministers. There is a need for further restraining a number of investments without priority status. The obligation of proper security for these investments will rest with the investors. Managers of economic-type ministries and governors are overseeing the supervision in this area.

--In the face of a backlog in the unloading of railroad cars, including gondola cars, the minister of communications has been obligated to present a list of persons who flagrantly neglected their duties in unloading and loading cars and removing snow from railroad stations and sidings. The need for positively ensuring an efficient railroad transportation system that does not frustrate the efforts of the production work force, especially miners, has been stressed.

--The balance of fuels available for the period ending this year has been examined. Reserves are very low and there have been mix-ups in the delivery of fuels. In connection with this, actions have been undertaken to speed up delivery of fuels from the USSR and intensify the refining of crude oil supplied by the "Friendship" pipeline. The minister of the chemical and light industry and the chief inspector of energy management have been instructed to present without delay a solution to the problem of owners of taxis not being able to purchase quickly adequate amounts of fuel, especially in large urban areas.

--The Economic Committee has received the minister of communication's report on the completion of the electrification of the Tluszcz-Loch rail segment, which facilitates workers' travel to Warsaw considerably.

All the enactments of the Economic Committee of the Council of Ministers given in the committee reports are binding on the chiefs of all State administrative organs, both central and local, as well as on managers of all elements of the socialized economy.

Planning Commission Head on 1982 Budget

Warsaw TRYBUNA LUDU in Polish 24-27 Dec 81 pp 1, 2

[Article by Tomasz Walat]

[Text] As the result of information relayed at the session of the Sejm Commission on the Economic Plan, Budget and Finances, the government has withdrawn from the Sejm the provisional budget drawn up there at the beginning of December 1981.

The draft of the National Sociol-Economic Plan has not yet reached the Sejm--in previous years the Sejm received it much earlier. A PAP [Polish Press Agency] reporter turned to the vice-premier, Zbigniew Madej, the leader of the Planning Commission, at the Council of Ministers for a clarification on this matter.

With the country under martial law, Vice-Premier Madej stated, we are compelled to do our planning in shorter than usual time periods--monthly and quarterly. For the time being, we intend to draw up a provisional budget draft for the first 2 months

of next year (1982). The plan's draft, however, would be worked out only for the first quarter of 1982, and in some important economic sectors--coal mining and market supply--for only a month.

The need for greater efficiency dictated by rapidly changing conditions compels us to do this. If the situation begins to stabilize, we will lengthen the operative period of these documents. Many unknowns have also emerged, most in the area of foreign trade. For example, certain threats regarding credits and coproduced and material imports from capitalist countries have arisen.

Also there have been changes in some internal economic elements. Working hours in many branches of industry have been lengthened under martial law. Also the principle of obligatory work in cases of need has been introduced temporarily. These conditions in terms of the dimensions of the plan must introduce necessary corrections in the present working papers.

The introduction of martial law has not, however, hampered work on economic reform. Practical measures aimed at instituting--in the broadest periods possible--elements of the new economic system will continue to be carried out.

9866

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PLAN FOR WARSAW SUBWAY PUBLISHED

System Route Announced

Warsaw TRYBUNA LUDU in Polish 1 Feb 82 p5

[Article by M. Jefremienko: "In the Capital: Warsaw Subway -- How Far Is It to the Stop?"]

[Text] In connection with numerous questions from readers concerning the construction of the Warsaw subway, we contacted the Directorate of Transport Route Construction. Here is the information we received.

The line will begin at Kabacki Forest (Las Kabacki). In connection with the information already published that a subway yard was to be located in the forest, we should like to assure the naturelovers that it will not be right in the forest but somewhat north of it. The directorate assures us that it will abide carefully by the principles of environmental protection all along the construction route.

From Kabacki Forest the subway will run through Ursynow along the Aleje Komisji Edukacji Narodowej [National Education Commission Boulevard]. Here are the first working names and the locations of the stops:

A1, "Natolin"-Wawozowa Street stop, where there will also be a bus turnaround.

A2, "Wolica," 1,130 meters away, at Belgrad Street.

A3, "Ursynow North," a distance of 1,145 meters, at Nugat Street. From there the subway cars are to go 1,102 meters on Aleje Komisji Edukacji Narodowej [again] to the intersection of Herbat Street, where there will be a stop.

A4, "Ursynow North." The stop will be located nearly 850 meters further.

A5, "Inielin," at Bartok Street.

Subway Plan

[Key]:

- (1) Mill
- (2) North Praga
- (3) Gdansk Station
- (a) Section IV
- (b) Section III
- (c) Section II
- (d) Section I
- (e) First lines
- (f) Proposed lines



At that point the subway lines will leave National Education Commission Boulevard and run under "Sluzew nad Dolinska" settlement to reach stop A6 at Walbrzych Street (somewhat east of Pulawska). The final stop of the first section will be 1,127 meters farther under Pulawska Street, near the old North Station.

The second section will begin here, running along Independence Boulevard [Aleje Niepodleglosci] and intercepting these stations: at Woronicza, in the Racławicka axle, at Rakowiecka and Wawel Streets. From there the route will turn towards Constitution Square [Plac Konstytucji], where the next stop will be located. From there the subway will run along Marszałkowska and Nowotki. The stops will be at Aleje Jerozolimskie, Światokrzyska (a large transfer station, intersecting another line, located where shopping centers are today), Plac Dzierzynski, Anielewicz, Gdansk Station. Here the line turns slightly to the west and runs under Felinski Street to a stop at Paris Commune Square [Plac Komuny Paryskiej], then parallel to Mickiewicz Street to Potocka (a stop) and then slightly west to the station at Serk Bielanski.

The final three stations are Aleje Zjednoczenia, Fortowa, and Huta Warszawa [Warsaw Mill].

Construction Startup for 1983

Warsaw TRYBUNA LUDU in Polish 27 Jan 82 pp 1,2

[Interview with Engineer Jozef Zajaczkowski, director, and Mgr Engineer Andrzej Grochowski, deputy director for subway construction preparations, Directorate of Transport Route Construction, by A. Lawniczak: "Construction Begins Next Year on a Warsaw Subway; Soviet Experience Used; First Line to Be North-South Line"]

[Text] For many years the residents of Warsaw have been waiting for a decision finally to be made concerning the construction of a subway, which is set for next year. We need not convince any Warsaw residents how essential this investment is to the urban center of the capital.

The city is growing. New housing developments located along the periphery of the capital are springing up. On the other hand, street car and bus transportation cannot provide even in part for the efficient commuting of thousands of people to work and back home. In this situation, the construction of the subway is an urgent necessity.

[Question] There has been talk of a subway for a long time. During the 1950's certain preparations were even begun, but no decision was ever made [to begin construction]. Now, as the Sejm was informed by the chairman of the Military Council of National Salvation and the chairman of the Council of Ministers, Gen Wojciech Jaruzelski, subway construction will begin next year. Are you prepared for this?

[Answer] We have been preparing the investments technical-economic targets and have had them ready since 1975. They have been assessed by a group of specialists appointed by the mayor of the city, Soviet, Czech, and Hungarian experts, and also by Planning Commission experts. These targets are the point of departure for the preparation of technical drafts, upon the basis of which it will be possible to begin construction.

[Question] Has this documentation not gone out of date?

[Answer] No. The whole time we have been in contact with Soviet specialists. In our work we took advantage of their experience, particularly that from the construction of the Kuarkhov subway, for which the conditions are similar to the conditions in Warsaw. We will still be calling upon them for expert opinion and be consulting them in the realm of the designing, construction, and operation of the subway. We will also use the experience of our colleagues in Praga. We will want to make contacts with Vienna.

[Question] What range of Soviet assistance is essential?

[Answer] We are expecting to import from the USSR the basic special construction equipment, including disk combines to bore out the underground tunnels, as well as subway vehicles and other equipment, such as special ventilators, traffic safety equipment, and so on. It will be necessary to send to the Soviet Union for training that part of the employees which will be working on the construction itself and then those who will be operating the subway.

[Question] Who is going to build the Warsaw subway?

[Answer] Our enterprise is the coordinator of all the work, but we shall entrust the execution to many other domestic enterprises prepared for this.

[Question] When will the first subway train run?

[Answer] The first planned subway line, 23 kilometers long, will link Ursynow-Natolin with the Warsaw Mill. It has been divided up into four sections. The first (7.5 kilometers) will run from Natolin to the North Station along Pulawska Street. This work will take the longest, 5 years. We project the completion date for 1988. We expect to complete the successive sections of the line and turn them over for operation every 2 years. In the year 1990 the section from Pulawska to Wawel Street, then from Wawel Street to Gdansk Station, and finally the section linking the Warsaw Mill will be completed, in 1994. The technical area and car barn at Kabacki Forest is to be completed along with the first section and is the basic support facility.

[Question] What method will be used in the construction of the line?

[Answer] Where the city land is less developed, for example, from Natolin to the region of Rakowiecka Street, we will use the open method, which means first of all excavation 9-10 meters deep which is later covered by a 4-meter layer of earth. On the other hand, in the central city area we are proposing the construction of stations using the open method, but for the tunnels we propose using disk combines for boring them out.

[Question] What will the first subway line do for the residents of the capital?

[Answer] We calculate that this line, running from the south of the city to the north, will be able to serve 713,000 persons, or about 45 percent of the residents of the capital. The projected transport capacity is 40,000 passengers per hour.

[Question] How much will the subway cost?

[Answer] We expect the first section to cost what the Torun Expressway with the bridge did, 7.5 billion zlotys.

10790

CSO: 2600/276

POLAND

GRASSROOTS POLL ON PRICE INCREASES PUBLISHED

Young Couples, Pensioners Questioned

Warsaw TRYBUNA LUDU in Polish 16-17 Jan 82, pp 1,2

[Article: "Higher Prices and Your Budget"; passages enclosed in slantline printed in boldface.]

[Text] /The new prices and accompanying compensation are of broad public interest. Our readers transmit to us their opinions and comments by mail, by telephone, and through our reporters.

/Yesterday we discussed for several hours these problems of everyday life with a group of women working at Warsaw labor establishments.

(/A report on this interesting encounter will be published in the next few days./)
On the basis of these numerous and varied talks and discussions we conclude that the public is interested not only in the new prices of food, fuel and energy but also in other matters relating to general living costs.

The questions that were asked concern, among other things, the situation of young married couples and pensioners, that is, of the groups that are relatively the weakest economically. We were also often asked yesterday as to who would calculate the compensation for ill individuals who are entitled to better rationing, and about the levels of compensation for mothers who receive childrearing allowances.

/We publish on p 5 successive articles by our reporters on talks with our readers./

Comments on Poll

Warsaw TRYBUNA LUDU in Polish 21 Jan 82, pp 1, 2

[Interview with Minister Z. Krasinski, chairman of the PKC [State Price Commission], by A. Leszczynski: "On the Need to Adapt"; date and place not given]

[Text] /The new version of prices and compensation presented by the Economic Committee of the Council of Ministers was commented upon in yesterday's TRYBUNA LUDU by representatives of 10 families from various regions of the country./ We turned to the chairman of the PKC, Prof Zdzislaw Krasinski, asking him to comment on the opinions and remarks they expressed.

[Question] What do you think of these first few spontaneous conversations? What would you like to say to our readers about them?

[Answer] That was a "salvo of 10." The reporters of TRYBUNA LUDU reached middle-income families, which represent a majority in our society, so that your journalistic reconnaissance can be regarded as representative. I repeat, this is a "salvo of 10." But there is a but...

In such public opinion polls, unlike in marksmanship, scattering is needed. I would encourage you in your further conversations to reach also the families living in extreme situations, that is, at the extremes of high and low incomes. The feelings expressed by the only pensioner you had polled, Stanislaw Marczewski of Sosnowiec, should find elaboration in conversations with other pensioner families. It would also be worth investigating the effect of new prices on private artisans, who, as is known, will not be paid any compensation.

[Question] That will be done in the next few days, but what do you say about the opinions expressed yesterday?

[Answer] From these comments, as well as from many others which I had occasion to learn while on my telephone-answering tour of duty at your editorial offices, I conclude that the wave of panic that arose last fall has now subsided. But at that time, much less information on what we were to expect as regards prices had been available. Now that people have read the PKC brochure and the new proposals of the Economic Committee of the Council of Ministers--now that they have correspondingly recalculated their budgets, the emotions are less strong. The public understands that it is certain to lose some [purchasing power], but this is no longer an unknown.

[Question] And once one knows what to expect and what not to expect, adaptation to change is easier...

[Answer] This is a sacred truth. But I have not observed any such attempts at adaptation in the persons whom you polled. As is known, food prices will go up considerably, but somehow no one is wondering how our traditional menu can be altered without harm to nutritive values.

There is hardly any need to say that we are a poor country. From this, practical conclusions must be drawn. In brief, one must seriously consider how to feed oneself more rationally.

[Question] Is this a matter of food alone?

[Answer] Not only food. One should also pay attention to insulating windows and doors so as not to waste valuable heat. There is also the question of more thrifty lighting, and of adequate maintenance of kitchen gas ranges. What I thus mean is simple prevention of waste in the average family, which would alleviate the consequences of price increases. Calculating the loss to be incurred is not enough. It is also necessary to consider how to cut that loss to the minimum.

[Question] It cannot be concealed, though, that the prices of certain manufactured consumer goods and services are also rising. This worries, among others, Miron Makowski of Warsaw, Zofia Piasecka, Irena Szymanska, and others.

[Answer] Yes. The prices of manufactured consumer goods, which for the time being are not covered by compensation, are rising and to an extent that is often unjustified by their production cost at that. Certain plants decided that, since there is so much unspent money on the market, this is an opportunity for raking it up. The PKC will resolutely oppose such trends.

It is worth noting here that, gradually, after the higher prices shrink the cash resources of the population, the producers will be compelled by market realities to consider cutting prices. I believe that this mechanism will cool the price-raising actions by enterprises, which will understand that unreasonable price hikes are not conducive to earnings.

/Besides, as is known, compensation for the general increase in living costs has been announced./

[Question] But how can the problems of young married couples just starting their own families be lightened? Consider, for example, the family of Andrzej Gniady of Opole, or the aforementioned Kwasniewski family of Warsaw...

[Answer] I believe that the situation of young married couples is particularly difficult, and perhaps even more difficult than that of certain pensioners. In this respect, suggestions for various additional compensation payments for such couples have been made in the course of the discussion.

I believe that perhaps even the highest possible compensation will not solve this problem. It is necessary to create a wage system that would reward honest and exerted effort and work. Young people do not lack strength, but they cannot always utilize it to augment their incomes. Our wage system is excessively hampered with all kinds of pay allowances that are not directly linked to the labor invested.

Young people also do not find forms and possibilities of additional work. Another matter is that they do not always look for it. But even in this case, and perhaps above all in this case, responsibility for one's family dictates resourcefulness [in finding additional work].

[Question] Do you not think that you're straying from the subject of prices and compensation?

[Answer] Indeed, but the new price situation at whose threshold we're standing requires a broader look. Family calculations and plans must be altered. I believe that some assistance to families should be provided in the sense of popular guidebooks for rational nutrition, cooking, handy work at home, courses in sewing, cooking, etc.

[Question] Isn't this rather a program of fairly simple positivism?

[Answer] It may seem so, but isn't. This is a need of the times we live in, of difficult, critical times. Not everyone seems to realize it. It is time to consider seriously how to spend most rationally, to the greatest benefit of our families, the cash we have and additionally receive. This principle is binding on everyone, poor and less poor.

Price Ratios Discussed

Warsaw TRYBUNA LUDU in Polish 16-17 Jan 82, pp 1, 2

[Answers by experts: "Higher Prices and Your Budget"]

[Text] /Yesterday we received questions and comments on prices and compensation from 87 readers. While generally not questioning the necessity of price increases, many of our callers expressed doubts concerning more detailed solutions. This refers to, among other things, the mutual price ratios of many commodities, chiefly food. In addition, many of the questions asked have not been, so far, answered by the available publications of the PKC [State Price Commission]./

/Today the questions are answered by experts from the PKC--Jerzy Chabros, director of the Economics Department, and Zenon Sierpinski, chief expert./

[Question] Will meals in milk bars increase in price in proportion to the prices of milk and dairy products?

[Answer] There are no binding decisions in this matter. The question is actually under consideration by "Społem" [Union of Consumer Cooperatives] and the PKC. The point is that milk bars should be enabled to operate cost-effectively and at the same time that a dairy meal bought by a pensioner should remain inexpensive. Any eventual operating losses of milk bars (with prices of meals fixed at below their cost) should be offset from profit margins on food sales.

[Question] What was the reason for proposing a specific price ratio between butter and boiled ham? Throughout the world butter is more expensive than ham.

[Answer] The ratio would be closer to that prevailing abroad if the price of butter were based on its production cost. Then 1 kilogram of butter would cost 360 rather than 240 zlotys. But this price jump would have been too high. Hence, butter production will continue to be subsidized.

Insert

"People are terrified by the announced price increases, but... in general they accept them." This was one of the first remarks voiced by Minister Zdzisław Frasinski right after he had completed his hours of answering telephone calls by readers of TRYBUNA LUDU. "The public understands increasingly better that low prices would be a fiction and would produce only seeming advantages."

[Question] Must milk and sour cream be subsidized?

[Answer] Sour cream will not be subsidized. Milk, too, must not be subsidized, but owing to social considerations in this case a subsidy is expedient and justified. Milk is chiefly consumed by children and represents a nutrition complement for many people in special need, especially pensioners and annuitants.

[Question] Will milk contain more fat after its prices are raised?

[Answer] No. All categories of milk are going up in price. Milk with a 2-percent fat content will continue to be sold, at a proposed price of 10 zlotys per liter. Any substantial increase in the market supply of whole milk at present is not yet feasible, since this would have led to a curtailment of butter production.

[Question] Why have the prices of the higher grades of cured meats soared so high?

[Answer] In order to slow down the increase in the prices of ordinary Kielbasa, mortadella, and many other cured meat products. Cost-based calculations show that 1 kilogram of ordinary kielbasa should cost 220 zlotyz whereas its proposed price is 190 zlotys.

[Question] I live in a community with gas heating, for which I pay 500 zlotys monthly, but now I will have to pay about 2,400 zlotys, whereas my compensation will be only about 1,000 zlotys. Could not a lower night rate be introduced?

[Question] My apartment is electrically heated. I figured out that my electricity costs will rise by a factor of 7. I am a pensioner and this expense is exorbitant for me.

[Question] Could not the gas rates be reduced for the winter season so that a chilly apartment could be additionally heated?

Questions of this kind are very numerous. Such signals should not be ignored. The matter is still under consideration. The suggestions for introducing a night rate are not unreasonable. But extra gas heating, and at a lower price at that, is not feasible. We have a gas shortage. If we burn more gas in kitchens, we will have less gas for producing artificial fertilizers. And fertilizers, as is known, are decisive to the fertility of our soils. A choice must be made. Common sense shows that fertilizers--and hence [more] bread--must be chosen.

"Kasprzak"--Warsaw: Doubts and Answers

/Yesterday, 15 January, in the afternoon, Minister Zdzislaw Krasinski met with the personnel of the Warsaw Radio Plant imienia Kasprzak. The topic: the draft of changes in the retail prices of food, fuel, and energy, as well as compensation. Which issue was of the greatest interest?/

[Question] Since prices ensue from calculations [of cost effectiveness], why should they be fixed at all?

[Answer--by the Minister] Right. But it should be borne in mind that uncontrolled prices would run out of control, which would be unjustified owing to social considerations.

[Question] Professor, do you agree that an ill-conceived compensation system would harm the incentives for work?

[Answer] This is a major problem. The current wage range is 1 to 7, and after the introduction of compensations it will shorten to 1 to 5. And then indeed the incentives for better work will be reduced. But does this mean that prices should not be changed and the rationing system should be continued? This would have meant the acceptance of a broader rationing, which would cause the wage range to become still shorter--1:2. Then there would be no sense anymore in speaking of any work incentives.

[Question] Examples from the years 1970 and 1976 are oversimplification, but in those periods people were concerned about compensation rather than about price increases.

[Answer] This is so indeed. In 1970 no compensation in general was provided for, and what was proposed in 1976 was nonsense. /That is why, even now, we have been discussing this subject for months and we are analyzing in detail the comments of the public so as to continually modify and improve on their basis the reform of prices and compensation so as to allow for the feelings of the public./

/Today the telephones at TRYBUNA LUDU (28-43-08 and 28-34-01, extension 154) will be manned between 1000 and 1800 hours. The queries by the callers will, after consultation with experts from the PKO and the Ministry of Labor, Wages, and Social Services, be answered in the coming issues of TRYBUNA LUDU. As for comments, opinions, and suggestions, these will be transmitted to the headquarters working on the whole of the price reform and compensation./

Public Polled on Price Increases

Warsaw TRYBUNA LUDU in Polish 21 Jan 82 p 5

[Interviews by TRYBUNA LUDU reporters: "Higher Prices and Your Budget: TRYBUNA LUDU Reporters Poll the Public Following the Announcement of Proposals by the Economic Committee of the Council of Ministers"]

Increases and Compensation

[Interview with Edmund Jedlinski, employee of Pulawy Nitrogen Plant, by M. Jefremienko]

[Inset]

[Text] /The Jedlinski family occupies a modest two-room apartment in housing erected by the Pulawy housing construction cooperative. Edmund, the head of the family, is a worker at the Azot Nitrogen Plant. His wife Halina does not work. They support 4 children./

The announced price increases are awaited with alarm by the Jedlinski family. The base pay received by Edmund, exclusive of allowances, according to which his compensation will be calculated, is 5,100 zlotys. /The head of the family works in a four-brigade system, often working overtime. This represents a sizable addition to his base pay./

With a copy of TRYBUNA LUDU in hand we begin to figure out Edmund's total compensation, which will come to 1,500 zlotys. For each family member supported by the wage-earner the compensation will be 1,000 zlotys. We add it up: 1,500 plus 1,000 zlotys for wife, plus 1,000 zlotys for the oldest child, Beata, 16 years old, plus 1,000 zlotys for 15-year-old Zbyszko, plus 1,000 for 9-year-old Dorota, and finally plus 1,000 for the youngest, Monika, add up to 6,500 zlotys in compensation.

We examine the family budget of the Jedlinskis. It turns out that, for example, they until now have been spending 90 zlotys monthly on electricity. This expense will double. They burn 72 zlotys worth of gas monthly, but now they will have to pay 216 zlotys. Thus the energy part of the budget will cost an additional 234 zlotys monthly (90 + 144). Similar calculations for central heating for the apartment, which measures 45 sq m in area, showed that the monthly increase in heating rates will be 122 zlotys.

Halina, however, is most worried about the food part of the budget./ The family as a whole receives 21.5 kg of meat rations monthly. We start calculating. After some simplifications and rounding off, we find that this meat for the whole family will cost about 4,000 zlotys more than it used to, each month. On the basis of the corresponding ration-card allotments, we calculate that the Jedlinskis will have to pay 385 zlotys extra for sugar, about 700 zlotys extra for butter, and about 400 zlotys for milk. Thus, after the price increases, the expenditures on the above items (including utilities) will increase by 5,831 zlotys. But let's not forget that the total compensation received will be 6,500 zlotys.

Halina says: "/Our calculations show, however, that this compensation will be insufficient for all of our expenses on food and utilities. For example, we choose the better grades of meat, cheese, eggs, fats, and other items needed by children, to a greater extent than indicated by the averages./" /Halina is worried by the prospect of increases in the prices of manufactured consumer goods./ When, however, we discuss the necessity of the price increases, Mr and Mrs Jedlinski seem convinced that they are indispensable.

Not by Bread Alone

[Interview with Alfred Koluk, electronics assembler, Warsaw Radio Plant imienia Kasprzak, by E. Kutyna]

This is a family of four. The wife, Renata, works at the Victoria Hotel as part of the so-called floor service. They have two school-age children. Their joint income is about 14,000 zlotys monthly, or 3,500 zlotys per family member. They consider their income to be somewhat above the average level.

In reply to the question about the nature of the family budget, Renata stated that currently she is unable to figure it out. Why? Because she does not plan her expenditures. This probably is the situation in almost every household. Housewives make their purchases on a helter-skelter basis and when they run out of cash, they borrow. Her financial situation is now very tangled.

Alfred Ciuk joins the conversation: "/The question of prices and compensation can be viewed from two different standpoints. I'm pessimistic about our being able to afford anything except food, and at the same time I prefer to be optimistic about the gradual improvement in our situation and the possibility, as noted in the letter of Minister Obudowski, that in time the prices of certain goods will even be reduced./

"I'm not enthused by the proposed prices, but I believe that if we are to attain a goal we have to pay the cost. To me personally, it is important to know just when, even if only approximately, the situation will begin to tangibly improve for me. It is obvious that, given the present prices, it does not pay to produce. Thus, price increases are indispensable. /Personally, though, I believe that a greater share of the burden for resolving the crisis should be apportioned to persons with really high incomes, for example, private entrepreneurs, orchard owners, and [truck-]garden owners."/

Concerning the price-reform proposals, the Ciuks prefer the proposal of the Economic Committee of the Council of Ministers. It must be better because... it provides for lower prices. But seriously, the cost of, for example, gas as specified in the KPC brochure is really too high. Renata says that they mention gas because in their apartment the hot-water heater is gas-fired so that they have to pay for every liter of hot water they use.

"As for the prices of other goods, probably they all will increase by at least 100 percent. /As we figure it out, we should have enough money./ In our case we shall receive a compensation of 4,500 zlotys, which is not little." They ponder: "But what will it be like in reality? After all, man does not live by bread alone."

So that Goods Will Be Available in Stores

[Interview with Jozef Wawrzyniak, member of ZBoWiD [Union of Fighters for Freedom and Democracy], pensioner, Szczecin, by M. Czekala]

"The recent decisions and extensive information about new prices forced me to thoroughly reassess my household budget. As a result, the price regulations were no surprise for me. The price chaos on our market which has lately grown so much must be eliminated.

"Of course, no one eyes price increases favorably. Despite the compensation I will receive, they shall undoubtedly affect me. /But economic laws are inexorable./ It is difficult to say authoritatively offhand how much the price increases will affect me. I cannot even now unequivocally state whether my standards of living will be fundamentally reduced.

I hope, though, that after a time, when I enter a store, it will have available what I want. /I am very happy that consideration has been given to us pensioners when determining our compensation in the same amount as for occupationally active persons./ If memory serves, this is the first time that pensioners have received such treatment.

For a Young Family

[Interview with Ryszard Strzelecki, M.A. in Engineering, Geological Institute, Warsaw, by K. Bien]

/Mr and Mrs Anna and Ryszard Strzelecki are geologists. Anna is not working. She is on child-upbringing leave. Their daughter already is in the first grade. Their two boys--twins--are 2 years old. Ryszard Strzelecki is a doctoral student at the Geological Institute in Warsaw. Below are their comments on the new version of price changes and compensation./

Of course, price changes are necessary. This is an unpleasant necessity. The currently proposed compensation system is simpler and more logical, without destroying motivation for better work. [If I have any objections] It is only that that second, variable part of the compensation is a little too undifferentiated. Persons with lower earnings may feel discriminated against. The uniform compensation payable for any and every child has the disadvantage that the needs of a 5-year-old child--and hence also expenditures--are different from those of a student and that, in its turn, a little child must be given more nutritious (e.g., ham) and hence also more expensive food.

/My doubts pertain to the prices of those foods which are not included for compensation and for which price increases affect the household budget greatly./

This also concerns such consumer goods as soap, toothpaste, or detergents. We don't know what the prices will be of the homogenized curd cheeses which are the basis of the morning meals of our children. The prices of vegetables and fruits are rising. One kilogram of apples, which costs 60-70 zlotys, in our home lasts 2 days at most.

In our family we calculate that compensation will increase our current income by about one-half. As a doctoral student I earn 5,600 zlotys, inclusive of allowances. Add to this a family allowance of 1,000 zlotys, five compensation payments for bread--800 zlotys, and my wife's child-upbringing allowance of 2,400 zlotys. Altogether, almost 11,000 zlotys [in compensation]. This will augment our combined income to about 16,000 zlotys. This would seem to be a lot, but at the moment we just don't know how the proposed price increases will affect our household budget. I believe that only after 2 or 3 months will the situation be clearer.

And lastly, I wish to point out that the current price increases, especially for manufactured consumer goods, produce a particularly painful impact on the budgets of new families that are just making a start in life, such as ours. This year we are finally to receive our first longed-for apartment. So far we have been living for 8 years with parents. Thus we will have an apartment of our own, but we

will face the need to spend a lot of money. /I believe that the state should provide greater help to young families that are just starting out./

Why We Can't Rely On Ourselves Alone

[Interview with an unnamed couple by M. Wieczorkowa]

/They both are 26 years old. Thanks to years of savings by their parents, they own what is only a dream to many other families--furniture, an M-4 [an apartment], and a car. They are unwilling to talk about their car--it will have to be sold, because who nowadays can afford gasoline? Katarzyna and Marek don't even want to give their last name, for reasons which will be explained later./ Marek said: "I work at a foreign trade center. My wife is at present on child-upbringing furlough--she's taking care of our year-old boy, Michalek. /Our income: 5,000 zlotys in my base pay plus (so far) a 70-zloty child allowance, a 160-zloty allowance for [knowledge of] foreign language, a 480-zloty bread allowance for 3 persons, plus a child-upbringing allowance of 2,400 zlotys, or altogether 8,110 zlotys./

After deducting the rent (including repayment of loan), /there remains only 5,610 zlotys for food, clothing, fees, and other expenditures./ Name me anyone who can support three people with that amount. We're really ashamed to be still taking money from our parents, and a lot at that--3,000 to 4,000 zlotys monthly. That's why I ask you not to reveal our name.

"Michalek unfortunately is a very sickly child. He needs a special high-protein diet, and we're spending a lot on fruits and vegetables. Now that the prices will be increased, raw and cured meats will cost a huge sum. We'll be satisfied with a piece of beef on a bone, but the child needs better grades of meat. Or eggs, at least."

Katarzyna said: "We're still hoping that a financial system enabling us to stand on our own feet will be created. /We are to receive a compensation of 3,350 zlotys. This will be just enough to offset the rise in food prices./ As for our other expenses, like before, we'll rely on help from our parents. But the price increases will affect them, too. I don't know if they'll be able to give us as much as they used to until now."

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FURTHER REPORT ON GRASSROOTS POLL ON PRICE INCREASES

Nationwide Discussion of Higher Prices

Warsaw TRYBUNA LUDU in Polish 20 Jan 82, p 1

[Article: "Higher Prices and Your Budget"; Passages enclosed in slant lines printed in bold face]

[Text] /Yesterday a reader told us on the telephone: "Finally, a discussion that is producing results. Earlier I had submitted my objections to the high prices of gas and electricity, and today I read that the Economic Committee of the Council of Ministers approved rate reductions for fuels and energy."

The new price system and accompanying system of compensations are being formed with the participation of the broad masses of society. We have received hundreds of telephone calls and many letters from our readers about these issues. As we were informed last evening by Andrzej Zmuda, the deputy chief editor of TV PUBLICYSTYKA, the television journalists receive some 600 calls daily. In the last few days, some 3,000 TV viewers expressed their opinions in this way, a broad exchange of opinions and comments shaping the government proposals.

Similarly, the proposal by the Economic Committee is being publicly evaluated. Yesterday, while the iron was hot, our reporters polled people on this subject.

The initial comments elicited indicate that the new variant of prices and compensations has won public acceptance, even though it is not an uncritical acceptance. Stress is placed chiefly on concern for families which find themselves in the most difficult material situation. Questions are being asked about the general principles underlying the announced compensation for the overall increase in the cost of living. The situation of newly married couples remains discussed. /This is a fundamental cause for concern, and yet currently a different issue is being decided upon: the increase of the retail prices of food, fuel, and energy, as well as the attendant compensation payments./

/(Accounts by our reporters as published on p 3)/

[Inset] A Dialogue

Even while under martial law, the state authorities found a way to consult public opinion: this is exemplified by the discussion going on with respect to the

proposed price increases and compensation. One of our callers expressed his satisfaction with the fact that this postulate has been allowed for in the new proposal for price changes. This is a significant satisfaction: on reading the answers to our poll it is difficult not to reflect that in the past decade, as well as in the last few months, public opinion has been consulted on an extensive scale. The opinions of ordinary people at present directly and significantly affect the ways and means of solving the difficult problems of everyday life. This current dialogue concerning a subject that has been most sensitive for many years can--I am convinced--open the road for tackling other issues in the interest of us all.--Editor.

Higher Prices Discussed at Kedzierzyn

Warsaw TRYBUNA LUDU in Polish 20 Jan 82 pp 1,3

[Article by A. Leszczynski: "What Prices, What Compensation"]

[Text] "My acquaintances figured out that, following these price revision, their per person family income will markedly decrease," somebody declared during the discussions at the inaugural meeting of the Discussion Club of TRYBUNA LUDU, a club established last Monday at the Nitrogen Plant in Kedzierzyn./

I remember that comment, since it initiated interesting calculations. We performed them jointly, according to the proposal submitted earlier by the PKC [State Price Commission] as well as according to the new proposal whose outline was--several hours prior to its announcement on TV--presented by the experts visiting the club: /the director of the Economics Department of the Ministry of Labor, Wages, and Social Welfare, Jerzy-Szreter, and the adviser to the chairman of the PKC, Zenon Sierpinski./

This common effort made it possible to cut down to a realistic dimension the fears voiced. It turned out that the family income of our reader's acquaintances will not diminish, although, of a certainty, its real value will somewhat diminish. But that is a question of the market, of the shortage of goods, of problems with purchases, etc.

We expect that the TRYBUNA LUDU discussion clubs will become the centers of exactly such exchanges of opinions, comments, and views--of unconstrained, free exchanges in the course of which doubts and misconceptions can be dissipated and the feelings and expectations of the public can be revealed.

Such exactly was the nature of that first meeting at the Kedzierzyn club, devoted to an attempt to answer questions such as: "/What prices, and what compensation payments?/. The co-organizers--/comrades from the plant PZPR committee/--also invited representatives from other plants in the city. This has resulted in interesting comparisons and a confrontation of views.

(Thus, a Nitrogen Plant worker expressed his anxiety about the rapidly rising prices of artisan services. This met with the following reply by the chairman of the local multibranch cooperative:)

"True, the fees for services are rising. But this is not an uncontrolled growth. At our cooperative, we are able to oppose trends toward excessive and unjustified hiking of fees. This is what we are doing. [We also] are explaining to our members that the public will not accept excessively high fees, and that then they will not earn anything."

[Another doubt expressed in the meeting room was whether the farmers are not faring too well. Are further increases of procurement prices justified?/ In his answers to these questions, the expert, Zenon Sierpinski, explained that the increases of the prices of artificial fertilizers and pesticides will of a certainty necessitate increasing procurement prices to up to 50 percent.

/"Why only 50 percent?" asked the general director of the Kedzierzyn Nitrogen Plant, Konstanty Chmielewski./ "As a producer, this does not directly concern me, because the central trading office will pay us according to the actual production cost. What concerns me is that if farmers are provided with relatively inexpensive fertilizer, they will neglect other maintenance operations, etc."

We need such collisions of opinions. We expect that precisely such creative discussions will be initiated in the next few days at other TRYBUNA LUDU discussion clubs: /today at the Lodz Plant Imienia the People's Army--about the party; and at the Warsaw Mera Control and Measuring Equipment Plant--about the economic reform; and Thursday at the Stalowa Wola Plant--about prices and compensation payments.

[Inset]

"We must shoulder this burden at present so as to achieve an improvement in the situation in the not too distant future. This improvement will not occur overnight! We cannot promise that stores will be filled with goods as of 1 February. There exists a possibility, however, that within a few months a tangible rise in output will occur and that by the end of this year the market situation will begin to normalize itself." (From a letter by Deputy Premier J. Obodowski)

People Interviewed About Higher Prices

Warsaw TRYBUNA LUDU in Polish 20 Jan 62 p 3

[Interviews: "Higher Prices and Your Budget: TRYBUNA LUDU Reporters Conduct a Public Opinion Survey Following the Publication of Proposals by the Economic Committee of the Council of Ministers"]

[Text] "Price changes will be a burden to society regardless of the steps we take to alleviate their consequences. Yet these changes are an economic necessity." (From letter by Deputy Premier J. Obodowski)

With a calculator in hand--[Interview with Miron Makowski, Foreman Machinery Plant Imienia Marcelli Nowotka in Warsaw, by A. Kosminski]

In the fourth floor of a building on Pola Gojawiczyńska St. in the Żoliborz Gardens neighborhood I met the Makowski family. The husband, Miron, is a foreman at the Machinery Plant imienia Marcelli Nowotki in the Wola district of Warsaw, while the wife, Jadwiga, is an office worker at the PKP [Polish State Railroads] Rolling Stock Directorate. They are supporting two teenage student sons of whom the older attends a railroad technicum and the younger, an electrical trades lyceum./

Mr Miron said: "I figured it all out accurately with the aid of a pocket calculator. My wife and I together earn 15,045 zlotys [monthly], that is, the income per family member is 3,761 zlotys. On the basis of the figures on average monthly consumption of food and goods given in the brochure by Professor Krasinski --though these figures are rather miserly--we currently spend 1,995 zlotys per person monthly on these products and on various fees.

[Question] What will your family budget be like if computed according to the new prices with allowance for compensation?

[Answer] Since my job is classified as arduous, I receive a monthly allotment of 4 kg of meat and hence, according to the proposal of the Economic Committee of the Council of Ministers, I stand to receive a compensation of 1,400 zlotys. The corresponding compensations for my wife and sons are 1,250 and 2,000 zlotys, respectively, or altogether we stand to receive 4,650 zlotys or 750 zlotys more than would ensue from Professor Krasinski's proposal. Thus our combined income will increase to 19,695 zlotys or 4,914 zlotys if averaged per family member.

[Question] And your expenditures?

[Answer] Under the new prices, our expenditures on ration-card allotments based on the proposed austere quotas as well as fees for electricity, gas, central heating, and hot water according to actual consumption and size of dwelling will total 6,950 zlotys, or as much as 33.1 percent of our income inclusive of the compensation payments. Thus the increase in our cost of living will be about threefold.

[Question] But this increase will be offset by the compensation, will it not...?

[Answer] In theory, yes, because both under old prices without compensation and under new prices with compensation for other expenditures, the amount will be nearly identical, i.e., about 13,000 zlotys.

But, first, the PKC norms so far have been too austere compared with actual consumption, and yet this norm was used as the basis for the calculations. For example, our daily milk consumption is as much as 4 liters, but the PKC figures only one-half of a liter per person. The norms for the consumption of cheese, especially yellow cheese, as given in the PKC brochure, are also too austere: 10 decagrams, whereas our boys alone eat as much just at breakfast. We make up with dairy products for the shortages of raw and processed meat. A quarter-kilo (or of 100 g) per person per month also is very little.

[Question] And secondly?

[Answer] And secondly, we will have just as much money left for our other expenses as before the price increases, yet the cost of our other expenses has already greatly changed as well. These other expenses will be chiefly on complementing our diet, because in his list of staple foodstuffs Professor Krasinski omitted, e.g., eggs, whose official price has risen to 7.5 zlotys each, and which in practice are available in general only on the free market where they cost 15, 20, or even 25 zlotys each. A favorite dish in our family is cassoulet, particularly because it is very nutritious and replaces meat, but it is more expensive than meat--140 zlotys per kilogram. We must buy more butter, cheese and sometimes honey, than allotted by the ration cards, and for our children we have to buy candy, which is needed for their growth....

[Question] But a family's expenses are not on food alone....

[Answer] There still remains clothing, footwear, soap, cosmetics, detergents, laundry, and other services, as well as repair, expenditures on the cinema, sometimes theater, sports.... For our boys one pair of shoes a year is too little and besides they need sneakers for the playing field, as well as summer shoes--which we parents also need. As for services, they have risen in cost since the middle of last year without our being in any way compensated for this, and we hear horrifying rumors about further increases. The prices of manufactured consumer goods will rise--this is being declared officially--yet we have at our disposal only the same unchanged 13,000 zlotys. If the current living standards of our family are to be maintained, our older son would have to stop his studies and start working....

I believe that, inasmuch as the general cost of living will increase, working people should receive advance payments according to age, since any more exact calculations are not possible at present. We have been discussing this subject at our labor establishment and we believe that the cost of the crisis should not be shouldered by the working people alone, because private entrepreneurs, who have considerable funds "frozen" in their bank accounts, will "get even" at our expense.

[Inset]

/It is proposed that the fees for fuel and energy be fixed at the following levels: electricity, 1.80 zlotys per kWh; natural gas, 2.70 zlotys per cu m; central heating, 5.50 zlotys per sq m of dwelling area; and hot water, 2 zlotys per sq m of dwelling area./

/That the price increases are much milder than those proposed by the PKC. Moreover, the introduction of a night rate (0.80 zlotys per kWh) is intended for those who heat their dwellings with electricity./

Pensioners and annuitants with monthly incomes of up to 4,500 zlotys will receive a 100-zloty allowance for the increase in the prices of energy and fuel./

/Coal allotments for the 1981/1982 heating season can be purchased at unchanged prices./

Acceptance Combined With Suggestions

[Interview with Leszek Bab, foreman, pipe rolling mill department, Iron and Steel Plant imienia Bierut in Czestochowa, by J. Rutkowski]

/I should like first of all to express my approval of the government for listening to critical comments in the discussion and approving a new draft for a price and compensation system that largely takes into account the expressed comments and demands./

The division of compensation into a ration-card part that is regular and completely offsets the rise in the prices of rationed foodstuffs and a part that is differentiated according to earnings would, in my opinion, first, protect the basic interests of the lowest-income groups and secondly, link the quality and kind of work performed to the amount of the compensation.

This would, I feel, serve to maintain the necessary range of salaries as based on the principle of social justice, and thus it would provide much greater incentives than the previously proposed system.

Let me draw attention to an issue that seems important to me. The new draft provides for uniform compensation of 1,000 zlotys for every child. I believe that this amount was determined on the basis of specific studies of consumption in this age group. /It might be worthwhile, however, to consider whether, owing to the need for special protection of the basic interests of children, special ration cards for children could be issued within that 1,000-zloty limit; such ration cards would serve as coupons for purchase of consumer goods and thus create a system correlated with the actual market possibilities./ This would probably also be much more advantageous to children from morally negligent families, since it would assure them of a definite living standard in the present difficult situation.

/Lastly, I wish to state that I fully approve of the coming tight control by the state over the evolution of prices so that their level would correspond to the actual necessary increase in production costs, as announced in the open letter by Deputy Premier Olszowski./ I am of the opinion that anything else would cause us working people to pay heavily for the incompetence of others, organizational cumbersome-ness, or pure neglect. Such a statement of the issue thus lies in the best interest of society.

Cost of Living Must be Continuously Monitored

[Interview of Teresa Golewicz, brigade leader, Wroclaw Clothing Industry Plant, by T. Marczak]

/At the Intermoda Wroclaw Clothing Industry Plant most employees are women. One of them, brigade leader Teresa Golewicz, commented:/

To many of us the proposed price increases are a shock. True the average wages in this enterprise are about 7,000 zlotys monthly, but many women earn from 4,500 to 6,000 zlotys. Some are single parents. Considering that at present they cannot make ends meet, what will happen to them after the prices increase?

My own calculations show that my expenses after the price increases will be impossible to meet. After all, it should be borne in mind that the prices of manufactured consumer goods will also increase. Shoes and clothing also will have to be bought at higher prices.

The full compensation for the prices of rationed goods is not enough. After all, a bit of unrationed extra food will have to be bought, and prices have soared and will continue to rise.

It would also be necessary to carry out thorough studies of the cost of living, of family budgets, of the living standards of the working population, and attentively interpret the results.

Warsaw, May 19, 1956

Interview of Stanislaw Maciejewski, retired driver, Sosnowiec, May 18, 1956

The situation is tragic, and so some decisive changes must be made. The government has to take steps which will not only be paid for by the population itself, but will also lead to a decline in living standards. This is an inevitable consequence of the absence of a correlation between prices and wage increases for the 1956-1957 period. If the trend continues...

My statement was discussed by the group of the Council of Ministers' Committee of the Council of Ministers, representing a response to the critical comments voiced in the last few weeks. It is greatly to be deplored that the increases in food and fuel prices and energy rates coincide with increases in the prices of most manufactured goods (the proposed revisions make no allowance for corrections of food prices). And yet it is known that the prices of other foodstuffs have already risen, e.g., the prices of fruits, vegetables, juices and jams, which also are necessary for proper nutrition.

It happens to be in a fairly fortunate situation. My retirement pension, including all allowances, is 8,400 zlotys [monthly] and I stand to receive a compensation of 1,250 zlotys. I think that I will succeed in living very modestly on this income, the more so as my needs are not extravagant. I believe, though, that the 100-per-cent differences in compensation payments to discrete categories are purely symbolic. A pensioner receiving 13,000 zlotys will receive only 100 zlotys less in compensation than I, while a pensioner receiving 4,000 zlotys will receive only 200 zlotys more than I.

I believe that families with two and more children will experience the greatest difficulty. The public's understanding of the necessity of price increases will not replace for anyone a piece of meat, an egg, or an apple for children.

[Pause]

All pensioners and annuitants, including those receiving benefits in exchange for transfer of their farms to their successors or to the state, as well as persons receiving allowances from the social welfare fund, will also receive twin-part compensation (ration card and energy-and-fuel compensation payments).

Depending on the amount of benefits received, this compensation would range from 750 zlotys to those receiving benefits of more than 13,000 zlotys monthly to 1,450 zlotys for those receiving benefits of up to 4,500 zlotys monthly.

The Needs of a Young Family

(Interview of Andrzej Gniady, electrician, Odra Cement Plant, Opole, by E. Filipczyk)

The new proposals by the Economic Committee of the Council of Ministers aroused great interest and stimulated extensive discussions within the Opole community of cement-industry workers.

Andrzej Gniady is 26 years old and has been working for 9 years at the Odra Cement Plant. He is an electrician and lives with his parents-in-law in a village near Opole. His father-in-law also is still working--they own no land.

A. Gniady supports a wife and two sons--the 4-year-old Leszek and 2-year-old Grzegorz. He shares with his parents-in-law the cost of fuel and energy; both he and his father-in-law are recipients of coal allotments.

[Comments by A. Gniady:] "The average earnings of the head of a young family during the last quarter of the year amounted to 7.190 zlotys [monthly], excluding seniority and overtime pay. His compensation, as computed for the category of workers entitled to higher ration-card allotments, will be 900 zlotys for the increase in the prices of rationed foodstuffs, plus 500 zlotys for the increases in the prices of fuel, energy, and other items--altogether 1,400 zlotys. The wife and two children will receive 1,000 zlotys apiece in compensation, that is, in this family the total compensation will be 4,400 zlotys or, including earnings (7,190+4,400), the total income will be 11,590 zlotys. This averages out to 2,897 zlotys per family member compared with the previous 1,797 zlotys (7.190 zlotys divided among 4 persons)."

A. Gniady stated: "That is why I fully agree with the statement in the proposal that 'in families with many children the income per family member is low even if the wage earner's own income is high.'

"I disagree, on the other hand, with the next sentence, which states that 'this concerns protecting the living standards of the young generation,' because this conflicts with reality. Suppose we had no children; then, even if my wife were not working, our income per person would be nearly 4,800 zlotys monthly. This means also that (the more children there are in a young and growing family such as mine, the worse would be the living standard given the proposed amount of compensation payments.)"

"In this connection, I propose that compensations for children should be computed as follows: 900 zlotys for the increase in food prices plus 700 zlotys for the increase in the prices of fuel, energy, and manufactured consumer goods, or altogether 1,600 zlotys per child. This is necessary because under the present proposal families with many children could be penalized. As a result, young people are discouraged from having children...one cannot live forever off loans and debts."

More Acceptable

[Interview of Zofia Piasecka and Irena Szymanska, Warsaw Pharmaceuticals Plant, by T. Strumff]

[At the Warsaw Polfa Pharmaceuticals Plant we talked with a group of female workers from the packaging department. The first impressions of the new project is that it is simpler, "milder," and somewhat more acceptable than its predecessors; but that its true consequences will be perceived only after some time passes.

Zofia Piasecka, a packaging-machine operator, commented: "Not everybody can be pleased at the same time. This version is intermediate, as it were, and so perhaps better. In the end, we all have been prepared to expect price increases.

"I like the uniform compensation payments for children, without any differentiation. Unfortunately, these payments do not allow for the soaring prices of vegetables and fruits--prices that are so skyrocketing that it is incredible."

Irena Szymanska, a brigade leader, commented: "We all will lose something. This is inevitable, because only part of the rising food prices will be compensated for. In reality, the price of every little thing is going up, be it jello or potato flour, nearly everything. I only hope that the government will control this price movement more tightly.

"But an equally important and perhaps also equally urgent problem is the rise in the prices of manufactured goods. Yesterday my husband and I saw a suit costing... 15,000 zlotys. Not so long ago the same suit had cost less than half that. Men's socks cost 60 zlotys a pair. They used to cost something like 25 zlotys. How will I cope with all that? /I believe that the authorities must as rapidly as possible resolve that other problem of the general cost of living. We do not live on food alone."

"The reduction in the prices of fuel and energy under the new proposal, as compared with the previous variant, is to be welcomed. It will not deplete the wallet as horrendously, though here too the compensation payments will be insufficient."

[Pause]

It is proposed that compensation payments for the [increased] prices of rationed goods will be set at 750 zlotys monthly for most workers. For those working under hazardous conditions, the compensation payments will average 900 zlotys, and for underground miners, 1,400 zlotys. The amount of "ration-card" compensation payments is computed on the basis of the most generous rationing allotments, for example, in assuming that 1.6 rather than 2.5 kg of meat is allotted for the average ration card.

The other part of compensation payments (compensation for rises in prices of energy, fuel and nonrationed but price-controlled foodstuffs) has been made dependent on the size of income. Thus for people with incomes of up to 4,500 zlotys the compensation payments will be 700 zlotys; for those with incomes of

from 4,501 to 6,000 zlotys, 600 zlotys; from 6,001 to 9,000 zlotys, 500 zlotys; and from 9,001 to 13,000 zlotys, 300 zlotys. Workers earning more than 13,000 zlotys monthly are not entitled to this second part of compensation payments.

A New Married Couple

[Interview with Halina and Jerzy Kwasniewski, philologist and economist, respectively, by M. Wieszorkowska]

[They are a representative young married couple, just starting their own family, as the saying goes. They are inhabitants of Warsaw. She: Halina, completed studies of Polish philology. He, Jerzy, is an economist who works for a bank. The apartment M-3 in the Ursynow district, which they were assigned in September 1981, is inhabited by a third tenant--2-year-old Pawelek.]

Halina: "Last fall I had to start professional work, because financially we could not manage. Jerzy earns 5,600 zlotys which may seem a high starting salary, but is not enough to feed and clothe 3 persons. So now I added to this my salary of 4,300 zlotys (I work in a library). Once a week I tutor in Polish a daughter of our friends, thus earning an additional 1,200 zlotys monthly. Our combined income at present is 10,000 zlotys.

"And our expenses? Deductions absorb nearly 2,000 zlotys, and we spend on the average 6,000 zlotys on food. Thus little remains for other expenses such as clothing, footwear, personal hygiene, drugs, toys, transportation. Some might say that 6,000 zlotys for food is too much, but those who have little children know that this is not so. If, for example, the store has no eggs for sale, I go to the free market and buy there several eggs for 18-20 zlotys each. After all, the child must eat several eggs weekly. This also applies to fruits and vegetables.

"The menu at present is not very varied; thus, I try to complement it with whatever is available on the market--vegetables and fruits. But these, unfortunately, are expensive. Every time I go to a vegetable store I spend 200 zlotys there, and I make such visits several times a month. Pawelek is capable of eating 7 apples daily. Should I refuse food to my child?"

Unidentified: "How can I then figure out our expenses under the new price system?"

Jerzy: "Yes, and the stores in our consumption system on the contrary do not figure without figures. Consider milk, for example. The brochure specifies 12 liters of milk per person monthly, but our daily need is 2 liters. The brochure is just 12 x 6, but multiplied by 6 it amounts to 72 which is 258 zlotys. I could give several other instances. (That is why we are very annoyed with the low amount of compensation payments. People have been greatly afflicted by these averages.)

Unidentified: "What about our expenses? We still spend about 5,200 zlotys on 3 persons for the necessities covered by compensation payments according to the previous proposal. In this sense, our calculations do not deviate greatly from those of Professor Krasiniski. But there are other food expenses as well: dairy, meat, kasha,

eggs, sometimes chicken, are the most expensive foods at present--vegetables and fruits. Altogether we figured out that food will cost us 7,000-7,500 zlotys.

Then there are the increased rates for hot water and electricity. This will absorb our total current income. I am not even mentioning unplanned expenditures, because if a store has for sale knives for children or powdered chocolate, we shall of a certainty buy them at the expense of our personal expenditures."

[Question:] "Do you react to these price increases?"

[Jeras:] "With understanding. We believe that they are necessary. On the other hand, we realize that it is young married couples that they will hurt most. But with it the nature of the conflict between public and private interest."

"For reasons beyond our control we did not manage in time to apply for the loans available to young married couples. Now we doubt whether we will save anything from our modest income. Everything has gone up in price so much. Loans, too, are not the option which is to us, because they would have to be repaid monthly, and we need so many things--furniture for Pawelek's room, a washing machine, kitchen utensils, floor rug. We also dream of a tape recorder and a sewing machine."

[Jeras:] "Yesterday Pawelek had no need for us a compensation of 1,000 zlotys. With it we, as before, were shocked. Now we will receive 1,000 zlotys, or nearly 1,000 zlotys more. Prior to the price increases we had 2,000 zlotys monthly left over for many expenses as clothing, cultural entertainment, etc., and now we have 3,000. This may help us to maintain our current standard of living, although things may also get worse."

"We are most concerned about our child, which is growing and always needs new clothing, toys, and amusements. And then there is the apartment, which we have left only provisionally. Besides, we are only beginning to live. I mean what goes into it not only work but also leisure, a hobby, to spend so many hours in an interesting way, or to enjoy a living standard. After all, we have begun our life as a family and not as a couple."

[Jeras:]

"During the period of price increases, it is proposed that, in housing costs, we pay half of the cost to finance the increased fees for heat and hot water and, in turn, the other half be introduced for student banteens and that the duration of the banteen allowances for young mothers be extended to 6 months."

[Jeras:] "I am not sure."

[Interview with Mrs. Jeras, Pawelek Village, Chorn Volynshchyna, by R. Wink]

"I am not sure, but I am sure that with public enthusiasm. Hence it should be preceded by a very thorough and broad analysis of its every aspect. There is still an errand about the issue of revitalizing the savings by bank deposits. Unless this happens, people will stop saving. In addition, the

current proposals benefit enormously those who have been living on credit and borrowing considerable funds. Is this socially just?

"I see that the proposals do not provide for compensation for heating or, more exactly, for fuel for the owners of single-family homes. On an annual scale, I will have to spend for this purpose 9,000 zlotys more than in the past. This will certainly discourage others, as will the high increase in the prices of building materials for private home builders."

Losing in Order to Gain

[Interview with the employees of the Lodz Iwona Plant by J. Kraszewski]

(Andrzej Baglaj, Chairman of the plant governing board of ZSM [Union of Socialist Polish Youth] at the Lodz Iwona Plant, declared that young people, and especially young families, are in the worst situation. "I'm thinking not only of the prices of food and energy but also and primarily of the prices of manufactured consumer goods that are indispensable to the wage-earning population. Perhaps the increased credit limits will alleviate the situation. /But, on the other hand, I'm aware that, for the sake of the future, even drastic steps have to be accepted./"

Engineer Jan Steperski attempts to perceive the whole of the price revisions in a linkage with the work incentive system. He is doubtful about the financial system that is mandatory this year, since it impedes instead of stimulating a rise in labor productivity.

This motif was also discussed in the comments of Maria Plyta, the sewing room forewoman. "I do understand that there must be higher compensation for 8-hour shifts, but I don't see why the less productive piece-workers should be paid the same compensation despite their laziness."

Walerzja Polkowska, the stockroom lead, proposes that compensation for children be differentiated. She believes that children and young people 11 to 18 years old should receive higher compensation.

Berenbaum: "The government project has reduced our anxieties. We know that we must lose now in order to gain later."

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EXPANDED ROLE FOR CONSUMER COOPS IN SELF-SUPPLY PROGRAM

Bucharest ROMANIA LIBERA in Romanian 9 Jan 82 pp 1, 5

[Interview with Ion Radulescu, vice president of the Central Union of Consumer Cooperatives, by Mircea Scripcu]

[Text] [Question] Taking place in the last 10 days of this month will be the 7th congress of the consumer cooperative, an important event for the cooperative movement in Romania, one which opens new prospects for the many economic-social activities which the cooperative organizations carry out. Taking action throughout the country and having available 2,836 cooperatives with nearly 100,000 commercial, production and services units and purchasing centers as well as 771 credit cooperatives which associate nearly 8 million members--Romanians, Hungarians, Germans and other nationalities--the consumer cooperative is a powerful economic and social force, an important organ in our country's life, one which acts with all determination to implement the party's policy to raise the standard of living of all our people. In 1982 the consumer cooperative will have important tasks, about which we have requested details from Comrade Ion Radulescu, vice president of the Central Union of Consumer Cooperatives.

[Answer] Taking action in the spirit of the decisions of the 12th party congress and the valuable indications given by Comrade Nicolae Ceausescu, the party's secretary general, the consumer cooperative will make a greater contribution--through the means it has available--to carrying out territorial self-supply, to intensifying the exchange of goods between city and village, to diversifying the services provided the population, to developing small industry and to increasing export.

Special tasks belong to the consumer cooperative in the area of contracts and purchases. In 1981 the consumer cooperative organizations increased their contribution to aid the increase in production on the population's farms with the goal of obtaining products to satisfy the consumer needs of the producers and their family members as well as to utilize the surplus of products in the state fund through the consumer cooperative units. As a result, in 1981, the entries to the state fund were higher than the plan tasks, being 30 percent greater than in 1980.

[Question] But what is forecast in this area of activity for 1982?

[Answer] The new regulations adopted on the basis of the decisions of the 25-26 November 1981 RCP Central Committee Plenum and of the Grand National Assembly give the consumer cooperative special tasks in the area of contracts and purchasing.

kept in mind in establishing them was the greater role which the consumer cooperative must play in accomplishing territorial self-supply and in increasing the state fund of agricultural food products. So, in 1982, by concluding contracting agreements, we must provide 1.5 billion eggs, 33,000 tons of chicken, 4,000 tons of honey, 800,000 tons of potatoes, 23,000 tons of various vegetables, 10,000 tons of beans, 45,000 tons of fruit and so forth. In order to provide an incentive for the peasant farms to increase vegetable and animal production, the consumer cooperative will deliver to the contracting producers more than 21,000 mating rabbits, 17 million day-old chicks, 1.3 million fruit-tree seedlings and shrubs, nursery transplants, seeds, various agricultural tools, chemical fertilizer, building materials for setting up greenhouses, solariums, shelters for the animals and other things. A large number of consumer cooperatives will organize pigeon-breeding farms in order to be able to reach 550,000 pigeons by the end of 1982. Also, to be organized is activity to produce mushrooms by utilizing existing areas. Around 2,000 sheep will be attained in 1982 on the farms attached to the cooperative organizations, thus increasing the quantity of meat, wool and milk to be obtained from this number of sheep.

[Question] The consumer cooperative also has important tasks in supplying the village population. In this area what is to be undertaken in 1982?

[Answer] In the spirit of the indications given by Comrade Nicolae Ceausescu, the party's secretary general, at the 25-26 November 1981 RCP Central Committee Plenum, the cooperative organizations will have to take action with a spirit of high responsibility and demandingness in order to insure the timely sale of goods to the population under good conditions.

In agreement with the development of the national economy and with the increase in the population's incomes, it has been forecast that in 1982 the consumer cooperative will sell a fund of goods valued at more than 46 billion lei, which is 3.6 percent greater than in 1981. Special attention is to be given to the sale of goods intended to aid the agricultural producers, such as agricultural tools, sowing seed-tree materials and other items, organizing units or specialized regions for this purpose. At the same time, the sales of household articles, knitwear, shoes, fashions and cosmetics are to be intensified. In 1982 the sales from the textile-knitwear sector will represent 23.3 percent of the total volume of sales and articles from the metal-chemistry sector will represent 23.3 percent of total sales.

At the same time, the activity of the food service units will improve, predominantly in food production which should reach a volume of more than 3.2 billion lei in 1982. In order to satisfy the needs for vegetables, meat, eggs and other products to a greater extent, the plots attached to the public food service units will be extended.

[Question] What tasks belong to the consumer cooperative in other sectors of activity?

[Answer] Action will continue to be taken to develop small industry, thus satisfying the requirements from the market fund as well as export requirements. The value of production forecast to be achieved in 1982 in small industry will be 10.7 billion lei, representing a 7.1-percent increase over 1981. We should emphasize the production of artisan articles which has nearly tripled and their share will increase significantly in the market fund and exports.

At the same time, the activity of services also is to develop: it is to record a 13.7-percent increase over 1981. The number of units for maintenance of household electrical products, for housing construction and repairs and the attached units for clothing, footwear and so forth will increase.

The increase in the volume of consumer cooperative activity demands an improvement in its material-technical base. The necessary areas in simple, cheap and smaller constructions will be provided for directly productive activity both for the small industry sector as well as the contracting and purchasing sector. The new projects with a useful area of around 60,00 square meters will be built for activity of trade, tourism and services. The new constructions will mainly be set up in the future agricultural-industrial cities, in the communes with high economic power. The consumer cooperative organizations, in conclusion, will make sustained efforts to build all the projects forecast for 1982, thus contributing to satisfying the population's requirements for supplies and services under better conditions and to the country's social-economic development.

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CITY OF ROVINARI ESTABLISHED IN GORJ COUNTY

Bucharest: BULETINUL OFICIAL in Romanian Part I No 104, 9 Dec #1 p 4

[Decree of the Council of State to Organize the City of Rovinari in Gorj County]

[Text] The Council of State of Romania decrees:

Article 1. The city of Rovinari, in Gorj County is organized on the date of the present decree.

The city of Rovinari is composed of the localities Rovinari and Vîrt.

Article 2. The villages Kovinari and Moî, belonging to the Bîlteni district, Gorj County, are joined to form a single village named Moî.

Article 3. The executive committee of the Gorj County peoples' council will organize according to law, the election of deputies to the peoples' council of the city of Rovinari.

A temporary peoples' council will operate until the election of the peoples' council in the city of Rovinari, composed of deputies elected in the electoral districts included within the boundaries of this territorial administrative unit.

The temporary peoples' council of the city of Rovinari will meet in its first session within five days from the date of the present decree.

The executive committee of the temporary peoples' council of the city of Rovinari will consist of nine members and will be composed of the deputies and members designated until the elections, by decision of the executive committee of Gorj County.

Article 4. The maximum number of positions stipulated in appendix 1 to the Order of the Council of State No 70/1981 is modified according to the appendix* which is an integral part of the present decree.

The number of positions for the financial service of the city of Rovinari will be assigned to the Ministry of Finance as part of the number of positions stipulated in appendix 14 to the Decree of the Council of State No 70/1981.

The positions that are insured through reassignment in accordance with the present decree, and that have been frozen as a result of decrees of the Council of State Nos 367/1990 and 492/1991, are released.

Article 5. The appendix to Law No 2/1968 regarding the administrative organization of Romania's territory, republished in *MONITORUL OFICIAL*, Part I, No 55-56, of 25 July 1981, with subsequent modifications, is changed in accordance with the provisions of the present decree.

Nicolae Ceaușescu, President of Romania
Bucharest, 8 December 1981
No 187

• The appendix is communicated to interested institutions.

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MOTRU, ROVINARI AGRO-INDUSTRIAL CENTERS ESTABLISHED

Bucharest BULETINUL OFICIAL (in Romanian Part I No 104, 9 Dec 81 pp 4-5)

[Decree of the Council of State to Establish in Gorj County the Motru and Rovinari Agro-Industrial Centers and the Motru and Rovinari Administrative-Economic Directorates]

[Text] The Council of State of Romania decrees:

Article 1. The Motru Agro-Industrial Center and the Rovinari Agro-Industrial Center, in Gorj County, are established on the date of the present decree.

The Motru agro-Industrial Center includes the city of Motru and the districts Catonele, Dragutesti, Satasari, and Samarinesti.

The Rovinari Agro-Industrial Center includes the city of Rovinari and the districts Bilteni, Liliu, Farsasesti, and Urdari.

Article 2. The peoples' councils of the cities and districts included in the Motru and Rovinari agro-industrial centers operate according to law, and are responsible for all the socioeconomic activities carried out in the administrative-territorial units in which they are elected.

Article 3. The Motru Administrative-Economic Directorate and the Rovinari Administrative-Economic Directorate, under the jurisdiction of the Gorj County Peoples' Council, are established on the date of the present decree.

The Motru Administrative-Economic Directorate carries out its activity within the boundaries of the Motru Agro-Industrial Center, and the Rovinari Administrative-Economic Directorate within the boundaries of the Rovinari Agro-Industrial Center.

Article 4. The administrative-economic directorates are plan holders for all the socialist units of local interest, as well as for all agricultural units within the boundaries of the Motru and Rovinari agro-industrial centers.

The administrative-economic directorates receive the plan from the county peoples' council, covering all the socialist units of local interest, as well as all agricultural units within the boundaries of the agro-industrial centers.

the people's councils in the cities and districts that compose the State and workers' agro-industrial centers are held holders and are responsible, according to law, for the fulfillment of the tasks assigned to them in the approved plans and for socioeconomic development.

Article 1. The State and Workers' Agro-Industrial Centers Directorate (SWACD) shall have the following functions:

- a) formulate according to law, State programs in close collaboration with economic and sociocultural units of local interests, as well as with the executive bodies of people's councils;
- b) organize, supervise, and be responsible for the complete and prompt fulfillment of the plans assigned to executive units of local interests;
- c) supervise the work of all units of the workers' agro-industrial centers and of the entire State workers' self-management in the activity of local economy and socio-cultural life, in the knowledge and utilization of the material and technical means existing in them, and the development of small industry, services, and socio-economic activities;
- d) supervise the fulfillment of programs in livestock, vegetal and animal agricultural production, the complete and efficient use of the land, the conservation of all water resources, independently of their ownership, and the delivery to agricultural units primarily to the State farms;
- e) be responsible for the complete supply of agricultural food products and industrial goods for the entire population in cities, workers' centers, and other localities within the boundaries of agro-industrial centers, formulate, according to the principles of workers' self-management and territorial autonomous supply, programs for supplying the population with agricultural food products, and assure the complete fulfillment of these programs;
- g) be responsible for the distribution and good stewardship of the local consumption funds, satisfy the consumption needs of the workers and the entire population in cities, workers' centers, and other localities within their radius of activity, as well as for the local larger amounts of agricultural food products for workers and workers' centers and other localities of workers which have particularly great pressing affairs;
- h) control the activities of workers' cafeterias and be responsible for providing low-priced products to consumers, supply them, supervise the development of sales networks for public supply and services units, and control and guide the activities of these units;
- i) assure the application and respect for standardization drawings and details approved according to law;
- j) be responsible for the complete fulfillment of the plan for building housing and sociocultural objectives.

1) Supervise the proper realization and conduct of instruction and educational programs in organizations, units, the government and self, the utilization of land material base, and the provision of well-organized technical education and professional economy and social activities;

2) Be responsible for the organization and conduct of cultural and educational activities, and for constantly improving the socialist consciousness of the citizenry;

3) Supervise the manner in which are respected legal provisions regarding the population's health protection, and, where and control the activities of health units;

4) Take measures for the proper conduct, according to law, of district stewardship activities; supervise the construction and appropriate utilization of land property and economic, the affairs of the and maintenance of the land, the utilization of the environment, and the development of other activities which contribute to proper working in the citizenry;

5) Observe and control the citizens according to law.

Article 6. Districts, cities and settlements for trade, services to the population, District and urban stewardship, construction of housing and communal services, education, culture, and health, which conduct their activities in the cities and districts included in the State and Municipal administrative centers, are subordinated to the administrative-economic directorates.

Article 7. The State and Municipal administrative-economic directorates have the organizational structure stipulated in appendix 1*.

The number of positions and the level of remuneration for the personnel of administrative-economic directorates are stipulated in appendix 2*.

Article 8. The State Committee for Planning and the Ministry of Finance, with regard to the administration, implementation of the unified national plan for the economic development, as well as to the volume and structure of the State budget for 1961 and 1962, shall submit for the application of the provisions of the present decree.

Article 9. Appendices 1 and 2 are an integral part of the present decree.

Article 10. Issued by the Council of Ministers of the USSR, 9 October 1960, No. 870.

Article 11. The appendix is submitted to interested ministries.

* The appendix is submitted to interested ministries.

Article 12.

Article 13.

MEASURES TO IMPROVE ORGANIZATION OF COAL INDUSTRY UNITS

Bucharest BULETINUL OFICIAL in Romanian Part I No 104, Dec 81 pp 1-3

[Decree of the Council of State Regarding Measures to Improve the Organization of Units in the Coal Industry]

[text] The Council of State of Romania decrees:

Article 1. On 1 December 1981, the Rovinari Mining Combine, with head offices in the Farcasesti district, Gorj County, and the Motru Mining Combine, with head offices in the city of Motru, Gorj County, are established under the jurisdiction of the Ministry of Mines, through the reorganization of the Oltenia Mining Combine, which is dissolved.

The objectives of the combines are: lignite extraction and preparation, research and planning for lignite extraction below and above ground; execution of geologic, hydrogeologic, and drainage projects; execution of construction, installation, industrial, and sociocultural projects; construction of metal assemblies, subassemblies, and spare parts, and repair of mining equipment, automotive transportation and performance of services.

An additional objective of the Rovinari Mining Combine is the extraction and preparation of anthracite, as well as research and planning for its exploitation.

Article 2. The mining combines established in accordance with article 1 are economic units similar to industrial centrals, operate on the principle of economic-financial self-management, are legal persons, and are organized on the basis of legal provisions regarding the organization and management of state socialist units, and the uniform structure regulations for the coal industry and the mining extractive industry, approved by Decree No 162/1973 regarding the establishment of uniform structure regulations for economic units.

Article 3. The Rovinari Mining Combine and the Motru Mining Combine are classified as special grade organizations, group II branch, and have an organizational structure stipulated in appendix 1*).

Article 4. On 1 December 1981, the Tirgu Jiu Enterprise for Mining Equipment Repairs with head offices in the city of Tirgu Jiu, Gorj County, is established under the jurisdiction of the Ministry of Mines; its objectives are to repair mining equipment, fabricate spare parts and electrical items, contract for technical design, and perform services.

The Tirgu Jiu Enterprise for Mining Equipment Repairs operates on the principle of economic-financial self-management, is a legal person, and is organized on the basis of legal provisions regarding the organization and management of state socialist units, and the specific uniform structure regulations approved for the extractive industry by Decree No 162/1973.

Article 5. The Tirgu Jiu Enterprise for Mining Equipment Repairs is classified as a grade II organization, group III branch, and uses for its workers the level A remuneration, contract, and administration of the machine building network, in accordance with the Law for Remuneration According to Quantity and Quality of Work, No 57/1954.

Article 6. On 1 December 1981, the Jilt Enterprise for Mining Constructions and Installations, with head offices in the Matasari district, Gorj County, is established under the jurisdiction of the Motru Mining Combine, and the Rovinari Enterprise for Mining Constructions and Installations, with head offices in the Farcasesti district, Gorj County, is established under the jurisdiction of the Rovinari Mining Combine; their objectives are to contract for industrial and sociocultural constructions, equipment installations, hydrogeologic, geotechnical, and drainage projects, and constructions and installations of an industrial nature.

The enterprises stipulated in paragraph 1 are established through the reorganization of the Oltenia Enterprise for Mining Constructions and Installations, which is dissolved.

Article 7. The Jilt and Rovinari enterprises for mining constructions and installations are classified as special grade organizations, group III branch, and use for construction workers who execute construction and installation projects, the level "constructions A for contract work, as well as for units in which tariff remuneration is not differentiated by contract and administration," under the conditions stipulated by the Law for Remuneration According to Quantity and Quality of Work, No 57/1954.

Article 8. On 1 December 1981, the Motru Enterprise for Transportation and Construction Equipment, with head offices in the city of Motru, is established under the jurisdiction of the Motru Mining Combine, and the Rovinari Enterprise for Transportation and Construction Equipment, with head offices in the Farcasesti district, Gorj County, is established under the jurisdiction of the Rovinari Mining Combine, their objectives are to provide automotive transportation, maintain and repair their own rolling stock and construction equipment, and perform services.

The enterprises stipulated in paragraph 1 are established through the reorganization of the Rovinari Enterprise for Transportation and Heavy Construction Equipment, which is dissolved.

Article 9. The Motru and Rovinari enterprises for transportation and construction equipment are classified as grade I organizations, group IV branch, and will be assigned specific indicators for their basic activities--automotive transportation and performance of services.

Article 10. On 1 December 1981, the Comanesti Mining Enterprise, with head offices in the city of Comanesti, Bacau County, is established under the jurisdiction of the Ministry of Mines; its objectives are to extract and prepare lignite and brown coal, perform mine openings, as well as geologic, hydrogeologic, and drainage projects, execute repairs, and perform services.

The enterprise is established by separating the Comanesti Mine from the Ploiesti Mining Combine.

Article 11. The Comanesti Mining Enterprise operates on the principle of economic-financial self-management, is a legal person, and is organized according to legal provisions regarding the organization and management of state socialist units, and the uniform structure regulations for the coal industry and the mining extractive industry, approved by Decree No 162/1973.

Article 12. The Comanesti Mining Enterprise is classified as a grade II organization, group II branch, and uses for its mine workers the level B of network remuneration--below and above ground--according to the provisions of the Law for Remuneration According to Quantity and Quality of Work, No 57/1954.

Article 13. The Mehedinti Mining Enterprise is changing the location of its head offices from the municipality Drobeta-Turnu Severin, to the Husnicioara district, Mehedinti County.

The Mehedinti Mining Enterprise and the Craiova Institute for Lignite Research, Technical Engineering, and Mining Design, subordinated to the Oltenia Mining Combine, as well as the Horezu, Voivod, and Salaj mining enterprises, and the Popesti and Sarmasag industrial high schools, subordinated to the Ploiesti Mining Combine, are brought under the direct jurisdiction of the Ministry of Mines.

Article 14. The department for planning technologies, capabilities, studies, forecasts, projects, and geologic projects at the Rovinari and Motru mining combines is organized in accordance with Decree No 297/1973 regarding the establishment of uniform structure standards for research and design units.

The department for planning technologies, capabilities, studies, forecasts, projects, and geologic projects is classified as an intermediate grade and grade II organization, respectively, for investment planning activities.

Article 15. The certificated personnel in the department for planning technologies, capabilities, studies, forecasts, projects, and geologic projects will be remunerated according to the provisions of the Law for Remuneration According to Quantity and Quality of Work, No 57/1974, appendix IV, chapter VIII--Scientific Research, Technical Engineering, and Planning, level II of Remuneration; and the non-certificated personnel with higher studies, as well as the personnel without higher studies, on the basis of appendix IV, letter B, group III branch.

Article 16. Subunits within the units established according to articles 1, 4, 6, and 8, or those reorganized, fall within the organization grades stipulated in appendix 2*).

Article 17. Departments, work sites, shops, and lots, as well as other subunits of units which are reorganized, maintain their approved organization grade, as well as the levels of remuneration and branch group, in which they are included.

Article 18. The structure regulations for the coal industry, approved by Decree No 270/1977 regarding measures for improving organization and activities in the coal industry, will also be applied depending on circumstances, to units and activities at the Rovinari and Motru mining combines.

Article 19. The working personnel at the Rovinari and Motru mining combines benefit from the rights granted to the working personnel at the Oltenia Mining Combine, and the working personnel at units under the jurisdiction of the Rovinari and Motru mining combines, from the rights granted to working personnel at units subordinated to the Oltenia Mining Combine.

Article 20. The assets and liabilities on the balance sheets of 30 November 1981, together with economic and financial plan indicators and contracts, are transferred from the Oltenia Mining Combine to the Rovinari and Motru mining combines, from the Rogojelu Mining Enterprise to the Tirgu Jiu Enterprise for Mining Equipment Repair, from the Oltenia Enterprise for Mining Constructions and Installations to the Jilt and Rovinari enterprises for mining constructions and installations, from the Rovinari Enterprise for Transportation and Heavy Equipment to the Motru and Rovinari enterprises for transportation and construction equipment, and the assets and liabilities of the Comanesti Mine, from the Ploiesti Mining Combine to the Comanesti Mining Enterprise.

The personnel which is transferred as a result of the provisions of the present decree is considered as transferred in the interest of their jobs.

Article 21. Personnel transferred or assigned to functions with lower remuneration rates as a result of the provisions of the present decree, benefit from the rights stipulated in article 21 of Decree No 162/1973 regarding the establishment of uniform structure standards for economic units.

Article 22. Mining enterprises under the jurisdiction of the Rovinari and Motru mining combines, can perform work for placing investment objectives in operation, including excavation operations, at the cost rates stipulated in prevailing regulations for contract projects.

Article 23. For the Motru Mining Combine, the maximum number of automotive vehicles for personnel and freight, with a capacity of less than 1.5 tons, stipulated in Decree No 277/1979 regarding measures to rationalize fuel consumption and economically manage the automotive vehicle inventory, and by Decree No 377/1979 regarding measures to concentrate the automotive inventory of socialist units for local or internal use, is increased by one microbus, two pickup trucks for transporting intervention personnel, tools, and equipment, and two specialized refrigerated trucks for food transportation.

Article 24. Endowment with one automobile for transporting personnel in the fulfillment of their functions, is approved for the Motru Mining Combine, the Rovinari Enterprise for Transportation and Construction Equipment, the Rovinari Enterprise for Constructions and Mining Installations, the Motru Enterprise for Transportation and Construction Equipment, the Jilt Enterprise for Constructions and Mining Installations, the Tirgu Jiu Enterprise for Mining Equipment Repair, and the Comanesti Mining Enterprise.

Article 25. Within 30 days, the State Committee for Planning and the Ministry of Finances, will present proposals for modifying the plan and budget for 1981 and 1982, as a result of the provisions of the present decree.

Article 26. The provisions of the present decree are applied within the framework of the economic and financial plan indicators approved for the Ministry of Mines for 1981.

Article 27. The legal provisions referring to the Oltenia Mining Combine continue to apply to the Rovinari and Motru mining combines, as well as to units under their jurisdiction.

Article 28. The Rovinari Mining Combine and Motru Mining Combine have jurisdiction over the units stipulated in appendix 3.

Article 29. Appendix 3 to Decree No 139/1974 regarding approval of the lists of research and design units organized according to Decree No 297/1973 regarding the establishment of uniform structure standards for research and design units, is completed according to appendix 4*) of the present decree.

Article 30. Appendix 3 to Decree No 269/1981 regarding the organization and operation of the Ministry of Mines, is completed according to the provisions of the present decree.

Article 31. The list of centrals and units with central status, appended to article 23 of Decree No 162/1973, with subsequent modifications, as well as appendices 1 and 2 to the Decision of the Council of Ministers regarding measures for reorganizing industrial centrals, similar units, and some state enterprises, is modified according to the provisions of the present decree.

Article 32. Appendixes 1-4 are an integral part of the present decree.

Nicolae Ceausescu, President of Romania
Bucharest, 8 December 1981
No 367

Appendix 3

List of Units Under the Jurisdiction of the Rovinari Mining Combine and the Motru Mining Combine

I. Rovinari Mining Combine

1. Rovinari Mining Enterprise
2. Rosia Jiu-Pesteana Mining Enterprise
3. Urdari Mining Enterprise
4. Rogojelu Enterprise for Mining Equipment
5. Rovinari Enterprise for Transportation and Construction Equipment
6. Rovinari Enterprise for Constructions and Mining Installations
7. Rovinari Supply Base**)
8. Rovinari Schooling Group
9. Hilteni Schooling Group

II. Motru Mining Combine

1. Motru Mining Enterprise
Motru Plant for Repairs, Metal Constructions, C&T, CFN**)
2. Jilt Mining Enterprise
3. Lupatla Mining Enterprise
4. Motru Enterprise for Transportation and Construction Equipment
5. Jilt Enterprise for Constructions and Mining Installations
6. Motru Supply Base**)
7. Motru Schooling Group

*) The appendix is communicated to interested institutions.

**) Unit is not a legal person.

11,023

CSG: 2700/140

DIRECTORATE FOR QUALITY CONTROL OF AERONAUTICAL PRODUCTS

Bucharest BULETINUL OFICIAL in Romanian Part I No 4, 9 Jan 82 pp 1, 2

[Council of State Decree on the Organization of the Directorate for Industrial Control Over the Ensuring of the Quality of Aeronautical Products]

[Text] The Council of State of the Socialist Republic of Romania decrees:

Article 1 -- As of 1 January 1982 the Directorate for Industrial Control Over the Ensuring of the Quality of Aeronautical Products is organized, subordinate to the Technical Directorate in the Ministry of the Machine-Building Industry.

Article 2 -- The Directorate for Industrial Control Over the Ensuring of the Quality of Aeronautical Products has the following main functions:

- a) it certifies materials, semifabricated articles, equipment and aggregates--called aeronautical products--and certifies the enterprises supplying these products; it tests and certifies aeronautical products which are manufactured in the Socialist Republic of Romania, including those intended for export;
- b) it endorses programs for approval of aeronautical products;
- c) it coordinates and monitors the activities of ensuring the quality of aeronautical products which will take place in accordance with the provisions of the quality control plans and manuals and periodically informs the State Aeronautics Authority in regard to conditions of aeronavigability achieved;
- d) it coordinates and monitors the system of ensuring the quality and safety of flights in the enterprises for the construction and repair of aviation technology;
- e) it endorses programs for approving aircraft and aircraft engines and transmits them to the State Aeronautics Authority for final approval;
- f) it approves documentation for the preparation of the series production of aircraft and aircraft engines;
- g) it participates in drawing up technical norms on the navigability of civil aircraft and international agreements of the State Aeronautics Authority in regard to conditions of aeronavigability which should be met in the construction, approval and certification of aircraft and aircraft engines;

h) it monitors, by means of polls, the production process in all technical compartments of the enterprises and takes the necessary measures. In extreme cases, it calls for an interruption of the production process, partially or for the whole enterprise.

Article 3 -- The Directorate for Industrial Control Over the Ensuring of the Quality of Aeronautical Products exercises monitoring activities in all the units of the National Center of the Romanian Aeronautical Industry and in other economic units which design or manufacture products intended for the aeronautical industry.

Article 4 -- Personnel with control functions in the Directorate for Industrial Control Over the Ensuring of the Quality of Aeronautical Products, in the case of violation of norms on product quality, apply the sanctions specified in Law No 7/1977 on the Quality of Products and Services, in all units which exert control actions.

Article 5 -- The Directorate for Industrial Control Over the Ensuring of the Quality of Aeronautical Products operates on the basis of the principle of economic-judicial self-administration, with juridical personality; it is organized in accordance with legal norms on the organization and management of socialist state units; it forms part of a special level of organization and it has the organizational structure specified in the annex to the present decree. [Footnote: The annex is transmitted to the institutions concerned.]

Article 6 -- The remunerations given to the cadres of the Directorate are specified in Law No 57/1974 on remuneration according to quantity and quality of labor, for industrial centrals at a special level, branch group III. For the position of the Director, the remuneration specified for the technical director of industrial centrals at a special level, branch group III, applies.

The amount of the special increase is specified in Decree No 100/1979 on the application of the Law on Remuneration according to Quantity and Quality of Labor, Annex 4, position 5, for the National Center of the Romanian Aeronautics Industry.

Article 7 -- The economic and financial indicators, including the number of personnel and the remuneration fund necessary for the Directors for Industrial Control over the Ensuring of the Quality of Aeronautical Products, are ensured in the plan approved for the entire activity, for 1982, for the Ministry of the Machine-Building Industry-the National Center of the Romanian Aeronautics Industry.

The number of cadres belonging to this directorate will not be taken into account in determining staffing according to norms for management, administrative and office cadres, approved for the National Center of the Romanian Aeronautics Industry.

Article 8 -- The necessary expenditures for the operation of the Directorate for Industrial Control Over the Ensuring of the Quality of Aeronautical Products are borne, on the basis of a quota, from production expenses, by the units subordinate to the National Center of the Romanian Aeronautics Industry.

Article 9 -- The Directorate is equipped with an automobile intended for the transportation of persons in the interest of the job, in accordance with Decree No 277/1979 on measures for the rationing of the consumption of fuels and the economic

management of the motor pool, by increasing the number of vehicles set for the Ministry of the Machine-Building Industry.

Article 10 -- The economic-financial activities, as well as the material base necessary for the execution of the activity of the Directorate for Industrial Control Over the Ensuring of the Quality of Aeronautical Products, are provided by the National Center of the Romanian Aeronautics Industry.

Nicolae Ceausescu
President of the Socialist Republic of Romania
Bucharest, 7 January 1982
No 5

CSO: 2700/164

ALLOCATION OF FOREIGN EXCHANGE FOR FEDERAL USE, 1982

Belgrade SLUZHBI LIST SFRJ in Serbo-Croatian No 72, 31 Dec 81 pp 1899-1906

[Order issued by the Federal Executive Council] on 30 December 1981 in Belgrade, signed by its chairman Veselin Djuranovic: "Order on Allocation of Foreign Exchange Assigned To Meet the Needs of Federal Bodies and Agencies and To Meet the Needs of Exercising the Rights and Discharging the Duties of the Federation in 1982"]

[Text] 1. Foreign exchange to meet the needs of federal bodies and agencies and the needs of exercising the rights and discharging the duties of the Federation, as assigned under 2) of Point 2 of the Order on Assignment of the Total Amount of Foreign Exchange To Meet the Needs of the Federation in 1982 (SLUZHBI LIST SFRJ, No 72, 1981), equivalent to 22,652,456,900 dinars, may be used for payments in invisible and visible trade by federal bodies, agencies and organizations, by certain organs of public organizations and institutions doing jobs which have a bearing on performance of the functions of the Federation and which perform their activity over the entire territory of the Socialist Federal Republic of Yugoslavia, if the funds from their own income for performance of those tasks are not adequate, as well as to meet other needs of the Federation, as follows:

- | | |
|---|-----------------------|
| 1) For payments in invisible trade--up to the amount of | 3,424,561,200 dinars |
| 2) For payments in visible trade--up to the amount of | 18,684,058,300 dinars |

Of the total amount of foreign exchange stated in Paragraph 1 of this point, the amount of 543,837,400 dinars shall be set aside to cover unforeseen and underestimated expenditures (contingency fund).

The federal secretary for finance is hereby authorized to approve disbursement of funds from the contingency fund referred to in Paragraph 2 of this point upon the request of the competent controllers, each individual disbursement to be limited to the amount of 100,000 dinars.

2. The Allocation of Foreign Exchange for 1982, which is appended to this order and constitutes an integral part of it, states the maximum amount of foreign exchange for individual users within the limits of the amount stated in Point 1, Paragraph 1. of this order.

3. Of the total amount of foreign exchange stated in Point 1 of this order 80 percent may be used in convertible currencies, and 20 percent in other currencies.

The federal secretary for finance is hereby authorized to grant approval to individual users to use foreign countries in higher or lower percentages than the percentages stated in Paragraph 1 of this point provided that convertible currencies do not exceed 80 percent of the total amount of foreign exchange.

4. So that the exchange referred to in Point 1 of this order is uniformly used in the course of the year, the federal secretary for finance shall set forth a schedule governing the use of foreign exchange in each quarter in accordance with the needs of users and the guidelines of the Federal Executive Council.

5. Funds for payments in visible trade, with the exception of expenditures for the Federal Secretariat for National Defense and the repayment of credit, may not be used for noneconomic investment projects before adoption of the allocation of funds envisaged in the Federal Budget for 1982.

6. The federal secretary for finance is hereby authorized to grant approval of funds by a specific decision for emergency purchases of noncapital industrial goods and spare parts which cannot be obtained within the country, up to the limit of the funds fixed for payments in visible trade in the Allocation of Foreign Exchange for 1982.

7. The federal secretary for finance is hereby authorized to change the purpose and amount of funds assigned for payments in invisible trade in the Allocation of Foreign Exchange for 1982 on the request of a competent controller.

8. The federal secretary for finance is hereby authorized to refund funds assigned in the Allocation of Foreign Exchange for 1982 at the request of a competent controller.

9. This order shall be applied as of 1 January 1982.

10. This order shall take effect on the date after publication in SLUŽBENI LIST SRB.

Allocation of Foreign Exchange for 1982

<u>No</u>	<u>User</u>	<u>Expressed in Dinars</u>	
<u>1</u>	<u>2</u>	<u>3</u>	
1	State Presidency of the Socialist Federal Republic of Yugoslavia		
	Payments in invisible trade:		
	Official travel	3,000,000	
	Miscellaneous payments	<u>300,000</u>	3,300,000
	Payments in visible trade		<u>500,000</u>
	Total		3,800,000
2	Department for Entertainment Facilities of the SFPRY Presidency		
	Payments in invisible trade:		
	Official travel	54,000	
	Miscellaneous payments	<u>409,000</u>	463,000
	Payments in visible trade		<u>1,076,000</u>
	Total		1,539,000
3	SFRY Assembly		
	Payments in invisible trade:		
	Official travel	3,192,000	
	Membership dues and assessments	650,000	
	Miscellaneous payments	<u>11,000</u>	3,853,000
	Payments in visible trade		<u>8,000,000</u>
	Total		11,853,000
4	Council of the Federation		
	Payments in invisible trade:		
	Official travel		<u>60,000</u>
	Total		60,000
5	Administration of Brioni Islands		
	Payments in invisible trade:		
	Official travel	43,000	
	Miscellaneous payments	<u>1,638,000</u>	1,681,000
	Payments in visible trade		<u>1,617,000</u>
	Total		3,298,000

<u>1</u>	<u>2</u>	<u>3</u>
6	Federal Executive Council	
	Payments in invisible trade:	
	Official travel	14,135,000
	Membership dues and assessments	<u>53,249,000</u>
	Payments in visible trade	<u>67,384,000</u>
		<u>71,642,000</u>
	Total	139,026,000
7	Department for Defense Preparations of the Federal Executive Council	
	Payments in visible trade	<u>4,000,000</u>
	Total	4,000,000
8	Department for Translation of the Federal Executive Council	
	Payments in invisible trade:	
	Official travel	100,000
	Advanced specialized training	<u>208,000</u>
	Payments in visible trade	<u>308,000</u>
		<u>930,000</u>
	Total	1,238,000
9	Constitutional Court of Yugoslavia	
	Payments in invisible trade:	
	Official travel	<u>33,000</u>
	Total	33,000
10	Federal Court	
	Payments in invisible trade:	
	Official travel	<u>60,000</u>
	Total	60,000
11	Federal Public Prosecutor's Office	
	Payments in invisible trade:	
	Official travel	<u>70,000</u>
	Total	70,000

<u>1</u>	<u>2</u>	<u>3</u>
12	Federal Attorney General's Office	
	Payments in invisible trade:	
	Official travel	<u>96,000</u>
	Total	96,000
13	Federal Secretariat for Foreign Affairs	
	Payments in invisible trade:	
	Official travel	36,158,000
	Missions	1,636,039,000
	Membership dues and assessments	75,361,000
	Miscellaneous payments	<u>12,942,000</u>
	Payments in visible trade	<u>1,760,500,000</u>
	Total	1,770,500,000
14	Federal Secretariat for National Defense	
	Payments in invisible trade:	
	Official travel	7,020,000
	Missions	74,000,000
	Membership dues and assessments	976,000
	Medical treatment abroad	8,210,000
	Advanced specialized training	70,860,000
	Miscellaneous payments	<u>6,450,000</u>
	Payments in visible trade	<u>17,761,613,000</u>
	Total	17,929,129,000
15	Federal Secretariat for Internal Affairs	
	Payments in invisible trade:	
	Official travel	4,000,000
	Membership dues and assessments	3,250,000
	Advanced specialized training	1,000,000
	Miscellaneous payments	<u>100,000,000</u>
	Payments in visible trade	<u>108,250,000</u>
	Total	206,250,000
16	Federal Secretariat for Finance	
	Payments in invisible trade:	
	Official travel	1,000,000
	Membership dues and assessments	460,212,000
	Transfer of legacies	12,000,000

<u>1</u>	<u>2</u>	<u>3</u>	
	Miscellaneous payments	<u>53,843,000</u>	<u>527,055,000</u>
	Total		527,055,000
17	Federal Secretariat for Foreign Trade		
	Payments in invisible trade:		
	Official travel	1,000,000	
	Membership dues and assessments	13,042,000	
	Miscellaneous payments	<u>140,000</u>	<u>14,182,000</u>
	Total		14,182,000
18	Federal Secretariat for the Market and General Economic Affairs		
	Payments in invisible trade:		
	Official travel	200,000	
	Membership dues and assessments	2,879,000	
	Miscellaneous payments	<u>30,000</u>	<u>3,109,000</u>
	Total		3,109,000
19	Federal Secretariat for Jurisprudence and Organization of the Federal Adminis- tration		
	Payments in invisible trade:		
	Official travel		<u>480,000</u>
	Total		480,000
20	Bureau for Upgrading the Federal Adminis- tration		
	Payments in invisible trade:		
	Membership dues and assessments		<u>257,000</u>
	Total		257,000
21	Bureau for Data Processing of Federal Bodies and Agencies		
	Payments in invisible trade:		
	Official travel	26,000	
	Miscellaneous payments	<u>160,000</u>	<u>186,000</u>
	Payments in visible trade		<u>5,300,000</u>
	Total		5,486,000

<u>1</u>	<u>2</u>	<u>3</u>	
22	Federal Secretariat for Information		
	Payments in invisible trade:		
	Official travel	1,646,000	
	Miscellaneous payments	<u>2,000,000</u>	3,646,000
	Payments in visible trade		<u>2,000,000</u>
	Total		5,646,000
23	Federal Committee for Legislation		
	Payments in invisible trade:		
	Official travel		<u>65,000</u>
	Total		65,000
24	Federal Committee for Energy and Industry		
	Payments in invisible trade:		
	Official travel	1,000,000	
	Membership dues and assessments	<u>9,077,000</u>	<u>10,077,000</u>
	Total		10,077,000
25	Federal Committee for Agriculture		
	Payments in invisible trade:		
	Official travel	1,496,000	
	Membership dues and assessments	3,298,000	
	Miscellaneous payments	<u>2,730,000</u>	<u>7,524,000</u>
	Total		7,524,000
26	Federal Committee for Transportation and Communications		
	Payments in invisible trade:		
	Official travel	1,100,000	
	Membership dues and assessments	<u>9,952,000</u>	<u>11,052,000</u>
	Total		11,052,000
27	Federal Committee for Labor, Health Care and Social Welfare		
	Payments in invisible trade:		
	Official travel	1,100,000	
	Membership dues and assessments	<u>38,021,000</u>	<u>39,121,000</u>
	Total		39,121,000

<u>1</u>	<u>2</u>	<u>3</u>	
28	Federal Employment Security Bureau		
	Payments in invisible trade:		
	Official travel	581,000	
	Foreign branch offices	<u>190,000</u>	<u>771,000</u>
	Total		771,000
29	Federal Committee for Affairs of Veterans and Military Disabled		
	Payments in invisible trade:		
	Official travel	66,000	
	Disability benefits	34,400,000	
	Medical treatment abroad	2,000,000	
	Miscellaneous payments	<u>1,689,000</u>	<u>38,155,000</u>
	Total		38,155,000
30	Federal Customs Administration		
	Payments in invisible trade:		
	Official travel	609,000	
	Membership dues and assessments	<u>1,438,000</u>	<u>2,047,000</u>
	Payments in visible trade		<u>3,300,000</u>
	Total		5,347,000
31	Federal Flight Control Administration		
	Payments in invisible trade:		
	Official travel	337,000	
	Membership dues and assessments	161,000	
	Advanced specialized training	1,200,000	
	Miscellaneous payments	<u>4,259,000</u>	<u>5,957,000</u>
	Payments in visible trade		<u>381,849,000</u>
	Total		387,806,000
32	Federal Radio Communications Administration		
	Payments in invisible trade:		
	Official travel	246,000	
	Advanced specialized training	<u>36,000</u>	<u>282,000</u>
	Total		282,000

<u>1</u>	<u>2</u>		<u>3</u>
33	Federal Market Inspectorate		
	Payments in invisible trade:		
	Official travel		<u>41,500</u>
	Total		41,500
34	Federal Foreign Exchange Inspectorate		
	Payments in invisible trade:		
	Official travel		<u>372,000</u>
	Total		372,000
35	Federal Aviation Inspectorate		
	Payments in invisible trade:		
	Official travel	350,000	
	Miscellaneous payments	<u>22,000</u>	372,000
	Payments in visible trade		<u>300,000</u>
	Total		672,000
36	Federal Bureau for Social Planning		
	Payments in invisible trade:		
	Official travel		173,000
	Payments in visible trade		<u>600,000</u>
	Total		773,000
37	Federal Community for Price Affairs		
	Payments in invisible trade:		
	Official travel		<u>58,000</u>
	Total		58,000
38	Federal Bureau for International Scientific, Educational and Cultural, and Technical Cooperation		
	Payments in invisible trade:		
	Official travel	2,570,000	
	Membership dues and assessments	22,530,000	
	Miscellaneous payments	<u>33,000,000</u>	<u>58,100,000</u>
	Total		58,100,000

<u>1</u>	<u>2</u>	<u>3</u>	
39	Federal Bureau of Statistics		
	Payments in invisible trade:		
	Official travel	355,000	
	Membership dues and assessments	<u>16,000</u>	371,000
	Payments in visible trade		<u>6,000,000</u>
	Total		6,371,000
40	Federal Bureau of Hydrometeorology		
	Payments in invisible trade:		
	Official travel	209,000	
	Membership dues and assessments	17,383,600	
	Miscellaneous payments	<u>200,000</u>	17,792,600
	Payments in visible trade		<u>4,299,000</u>
	Total		22,091,600
41	Federal Bureau of Standards		
	Payments in invisible trade:		
	Official travel	500,000	
	Membership dues and assessments	3,024,000	
	Miscellaneous payments	<u>149,000</u>	3,673,000
	Payments in visible trade		<u>1,805,900</u>
	Total		5,478,900
42	Federal Bureau of Patent		
	Payments in invisible trade:		
	Official travel		144,000
	Payments in visible trade		<u>764,000</u>
	Total		908,000
43	Federal Bureau for Weights and Measures and Precious Metals		
	Payments in invisible trade:		
	Official travel	180,000	
	Membership dues and assessments	980,000	
	Miscellaneous payments	<u>27,000</u>	1,187,000
	Payments in visible trade		<u>600,000</u>
	Total		1,787,000

<u>1</u>	<u>2</u>	<u>3</u>	
44	Federal Bureau of Geology		
	Payments in invisible trade:		
	Official travel		<u>136,000</u>
	Total		136,000
45	Federal Directorate for Reserves of Food-stuffs		
	Payments in invisible trade:		
	Official travel		<u>160,000</u>
	Total		160,000
46	Federal Directorate for Reserves of Industrial Products		
	Payments in invisible trade:		
	Official travel		<u>350,000</u>
	Total		350,000
47	Department Rendering Entertainment Services To Meet the Needs of Federal Bodies and Agencies		
	Payments in invisible trade:		
	Official travel	1,105,000	
	Miscellaneous payments	<u>31,851,000</u>	32,956,000
	Payments in visible trade		<u>10,544,000</u>
	Total		49,500,000
48	Department for Administrative and Bookkeeping Affairs of Federal Administrative Agencies and Federal Organizations		
	Payments in visible trade		<u>3,872,000</u>
	Total		3,872,000
49	Garage of Federal Bodies and Agencies		
	Payments in visible trade		<u>2,000,000</u>
	Total		2,000,000

<u>1</u>	<u>2</u>	<u>3</u>
50	Administration of Office Buildings of Federal Bodies and Agencies	
	Payments in invisible trade:	
	Official travel	80,000
	Payments in visible trade	<u>3,285,000</u>
	Total	3,365,000
51	Federal Fund for Credit Financing the Faster Development of the Economically Underdeveloped Republics and Autonomous Provinces	
	Payments in invisible trade:	
	Official travel	<u>100,000</u>
	Total	100,000
52	Presidium of the Central Committee of the League of Communists of Yugoslavia	
	Payments in invisible trade:	
	Official travel	560,000
	Miscellaneous payments	<u>800,000</u>
	Payments in visible trade	<u>1,360,000</u>
	Total	<u>4,000,000</u>
	Total	5,360,000
53	Administration of the Building of the LCY Central Committee and Serbian LC Central Committee	
	Payments in invisible trade:	
	Official travel	21,000
	Miscellaneous payments	<u>901,000</u>
	Payments in visible trade	<u>922,000</u>
	Total	<u>6,000,000</u>
	Total	6,922,000
54	Federal Conference of the Socialist Alli- ance of Working People of Yugoslavia	
	Payments in invisible trade:	
	Official travel	2,100,000
	Miscellaneous payments	<u>5,490,000</u>
	Total	<u>7,590,000</u>
	Total	7,590,000

<u>1</u>	<u>2</u>	<u>3</u>	
55	Presidium of the Conference of the Socialist Youth League of Yugoslavia		
	Payments in invisible trade:		
	Official payments	2,839,000	
	Membership dues and assessments	234,000	
	Miscellaneous payments	<u>103,000</u>	<u>3,176,000</u>
	Total		3,176,000
56	Federation of Associations of Veterans of the National Liberation War of Yugoslavia		
	Payments in invisible trade:		
	Official payments	573,000	
	Membership dues and assessments	<u>53,000</u>	<u>626,000</u>
	Total		626,000
57	Council of the Federation of Yugoslav Trade Unions		
	Payments in invisible trade:		
	Official payments	1,898,000	
	Membership dues and assessments	450,000	
	Miscellaneous payments	<u>3,905,000</u>	<u>6,253,000</u>
	Total		6,253,000
58	Presidency of the Yugoslav Red Cross		
	Payments in invisible trade:		
	Official travel	694,000	
	Membership dues and assessments	1,243,000	
	Miscellaneous payments	<u>1,609,000</u>	<u>3,546,000</u>
	Total		3,546,000
59	Yugoslav League for Peace, Independence and Equality of Nations		
	Payments in invisible trade:		
	Official travel	280,000	
	Membership dues and assessments	<u>15,000</u>	<u>295,000</u>
	Total		295,000

<u>1</u>	<u>2</u>	<u>3</u>	
60	Federation of United Nations Associations of Yugoslavia		
	Payments in invisible trade:		
	Official travel	74,000	
	Membership dues and assessments	<u>33,000</u>	<u>107,000</u>
	Total		107,000
61	Physical Fitness Federation of Yugoslavia		
	Payments in invisible trade:		
	Official travel	6,512,000	
	Membership dues and assessments	<u>2,263,000</u>	<u>8,775,000</u>
	Payments in visible trade		<u>2,000,000</u>
	Total		10,775,000
62	Popular Technology--Federation of Organiza- tions for Popular Technical Education of Yugoslavia		
	Payments in invisible trade:		
	Official travel	192,000	
	Membership dues and assessments	<u>310,000</u>	<u>502,000</u>
	Payments in visible trade		<u>120,000</u>
	Total		622,000
63	Yugoslav Firefighters Federation		
	Payments in invisible trade:		
	Official travel	178,000	
	Membership dues and assessments	<u>30,000</u>	<u>208,000</u>
	Total		208,000
64	Tourist Federation of Yugoslavia		
	Payments in invisible trade:		
	Official travel	72,100	
	Branch offices abroad	65,322,900	
	Miscellaneous payments	<u>26,709,000</u>	<u>92,104,000</u>
	Total		92,104,000

<u>1</u>	<u>2</u>	<u>3</u>	
65	Yugoslav Council for Safety in Transportation		
	Payments in invisible trade:		
	Official travel	88,000	
	Membership dues and assessments	<u>55,000</u>	<u>143,000</u>
	Total		143,000
66	Social Accounting Service of Yugoslavia		
	Payments in invisible trade:		
	Official travel	300,000	
	Membership dues and assessments	140,000	
	Miscellaneous payments	<u>3,000,000</u>	<u>3,440,000</u>
	Payments in visible trade		<u>105,752,000</u>
	Total		109,192,000
67	National Bank of Yugoslavia		
	Payments in invisible trade:		
	Official travel	1,686,000	
	Membership dues and assessments	60,000	
	Miscellaneous payments	<u>172,000</u>	<u>1,918,000</u>
	Payments in visible trade		<u>90,058,000</u>
	Total		91,976,000
68	Economic Chamber of Yugoslavia		
	Payments in invisible trade:		
	Official travel	3,000,000	
	Foreign branch offices	116,000,000	
	Fairs and exhibitions	68,560,000	
	Membership dues and assessments	2,000,000	
	Miscellaneous payments	<u>1,500,000</u>	<u>191,060,000</u>
	Payments in visible trade		<u>1,000,000</u>
	Total		192,060,000
69	Cooperative Alliance of Yugoslavia		
	Payments in invisible trade:		
	Official travel	280,000	
	Membership dues and assessments	<u>218,000</u>	<u>498,000</u>
	Total		498,000

<u>1</u>	<u>2</u>	<u>3</u>
70	TANJUG News Agency	
	Payments in invisible trade:	
	Official travel	2,400,000
	Foreign bureaus	61,554,800
	Membership dues and assessments	624,500
	Miscellaneous payments	<u>23,603,000</u>
	Payments in visible trade	<u>88,182,300</u>
		<u>5,991,700</u>
	Total	93,174,000
71	SFRY National Committee of the International Chamber of Commerce	
	Payments in invisible trade:	
	Official travel	72,300
	Membership dues and assessments	<u>578,800</u>
		<u>651,000</u>
	Total	651,000
72	Federation of Health Insurance and Health Care Communities of Yugoslavia	
	Payments in invisible trade:	
	Official travel	72,000
	Health care	<u>58,275,000</u>
		<u>58,347,000</u>
	Total	58,347,000
73	Federation of Old-Age and Disability Insurance Communities of Yugoslavia	
	Payments in invisible trade:	
	Official travel	72,000
	Membership dues and assessments	<u>795,000</u>
		<u>867,000</u>
	Total	867,000
74	Yugoslav Archive	
	Payments in invisible trade:	
	Official travel	141,900
	Membership dues and assessments	<u>4,100</u>
		<u>146,000</u>
	Total	146,000

<u>1</u>	<u>2</u>	<u>3</u>	
75	Film News [weekly newsreel]		
	Payments in invisible trade:		
	Official travel	161,000	
	Membership dues and assessments	<u>50,000</u>	211,000
	Payments in visible trade		<u>2,000,000</u>
	Total		2,211,000
76	Institution for Maintenance of Seaways		
	Payments in visible trade		<u>6,920,000</u>
	Total		6,920,000
77	Institution for Maintenance of Inland Waterways		
	Payments in invisible trade:		
	Official travel	97,400	
	Membership dues and assessments	<u>57,600</u>	155,000
	Payments in visible trade		<u>2,728,000</u>
	Total		2,883,000
78	Yugoslav Register of Shipping		
	Payments in visible trade		<u>760,000</u>
	Total		760,000
79	Sluzbeni list SFRJ Newspaper and Publishing House		
	Payments in visible trade		<u>27,500,000</u>
	Total		27,500,000
80	Yugoslav Center for Technical and Scientific Documentation		
	Payments in invisible trade:		
	Official travel	82,000	
	Membership dues and assessments	60,000	
	Miscellaneous payments	<u>64,000</u>	206,000
	Payments in visible trade		<u>2,000,000</u>
	Total		2,206,000

<u>1</u>	<u>2</u>		<u>3</u>
81	Radio-Television Yugoslavia		
	Payments in invisible trade:		
	Official travel	1,934,000	
	Membership dues and assessments	26,386,000	
	Miscellaneous payments	<u>14,572,000</u>	42,892,000
	Payments in visible trade		<u>588,000</u>
	Total		43,480,000
82	Komunist Newspaper and Publishing House		
	Payments in invisible trade:		
	Official travel	595,000	
	Miscellaneous payments	<u>1,921,000</u>	2,516,000
	Payments in visible trade		<u>30,000</u>
	Total		2,546,000
83	Borba Newspaper, Publishing and Printing Enterprise		
	Payments in invisible trade:		
	Official travel	2,700,000	
	Foreign bureaus	7,242,000	
	Miscellaneous payments	<u>2,862,000</u>	12,804,000
	Payments in visible trade		<u>36,286,000</u>
	Total		49,090,000
84	Geomagnetic Institute		
	Payments in invisible trade:		
	Official travel		55,000
	Payments in visible trade		<u>1,536,000</u>
	Total		1,591,000

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